The Danger at Ottawa—Page 10

THE FINANCIAL POST

The Canadian Newspaper for Investors

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FEW PRACTICAL ARGUMENTS FOR THE G.T.R. DEAL

Most of Them Can be Easily Exploded by Railroad Experts

PROFITS WILL VANISH

Government Cannot Hope to Recoup Finances—Montreal Business Men Are Up in Arms

By Resident Representative.

MONTREAL.—To all who appreciate the consequences of the ineffectiveness of public operation of important utilities, the Government of Canada is making a grave mistake in its plan to take over the Grand Trunk Railway Company, and the Parliament of Canada will make a graver mistake if it endorses the proposals that the Government has placed before it. The conviction grows that the acquisition of the Grand Trunk will impose a financial burden that will injure seriously the standing of the country; that the operation of the road by the Government will lessen the efficiency of railway transportation in Canada as compared with private operation; and that the excuse for immediate action, namely, that there is no way out of the admitted difficulty save the taking over of the Grand Trunk, is utterly unfounded. Futhermore, that the time chosen by the Government to launch this scheme, the eve of the Victory Loan campaign, is the worst possible, and that the consequences will be far-reaching and injurious.

To the Government's claim that action has been forced on it, it may be stated, The FINANCIAL POST learns, that the Grand Trunk Railway Company had already made arrangements for temporary financing over the next few months. The Government itself could have carried on the Grand Trunk Pacific under the receivership terms for a while longer. No new crisis had been reached in the affairs of either.

The Practical Out look

Let us examine the claims made in favor of the taking over of the Grand Trunk. One is that it will help the Government out of the "hole" of deficits that the Grand Trunk Pacific entails, through the earnings of the Grand Trunk. This presupposes that these earnings will be as large under Government as under private ownership. The argument is fallacious, for at least two reasons:

One is that the Government's plan of compensation to the Grand Trunk imposes heavier burdens on the road than it has had to bear heretofore, for the final offer of the Government runs far ahead of the return the shareholders—in bonds, guaranteed preference and common shares—have ever secured in the past. This will increase the overhead immediately, and lessen the net earnings.

An even more serious result to contemplate is that there is almost certain to be a heavy falling off in the Grank Trunk receipts from its American lings and connections. These now run about 42 to 43 per cent. of the total, and have resulted through healthy competition of the road with other lines across the border, or, through friendly relations, traffic has been transferred to the Canadian line to carry through Canada to the seaboard. In future, conditions are reversed: the U. S. roads are faced with the choice between a Government-owned road in the Grand Trunk, and privately owned roads in the United States, the former a menace in principle, the latter friendly associates. Which will win out? And who will venture to claim that much of the traffic that now runs through Canadian territory from the middle West will not in future be diverted below the Great Lakes? Then will disappear a large share of the revenue that now comes to the Grand Trunk.

The Government will be taking over, so far as revenue returns are concerned, a mere "skeleton," and those dreams of financing the G.T.P. through the G.T.R. surpluses will speedily vanish.

Savings Vanish Into Air

When the Government advocates are dealing in generalities their case is unsound enough. When they come to holding out any definite figures

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MAY GO TO COUNTRY ON G.T.R. DEAL

Government May Seek Re-Election on Public Ownership Plank

By Special Representative.

MONTREAL.—There is a feeling here that the Dominion Government may go to the country on Grand Trunk purchase scheme. The vote in the House indicates support of Western group that otherwise would refuse support on the tariff issue. The Government, it is thought, feels that Government ownership policy would outshadow in swift election campaign the tariff issue and Liberal opposition would be in the position of opposing the G.T.R. deal.

G.T.R. PROGRAM MAY SERIOUSLY AFFECT THE LOAN

Strong Sentiment in Montreal and Province of Quebec

Investors Are Growing Cold Towards Government Ownership Schemes

By Resident Representative.

MONTREAL.—In the interests of the forthcoming Victory loan it is imperative that no impediment should be placed in the path of its success. The Grand Trunk public ownership plans of the Government thrust in front of this loan have, as one of the most enthusiastic leaders and workers for the cause of the loan said, "acted like a monkey wrench thrown into the machinery." In a centre like Montreal where the sentiment among business men is strong in any case against public ownership in theory, and particularly opposed to the present deal; throughout the province surrounding it, and in many other centres in Canada, where the pendulum against public ownership of railways has swung back, especially since the unfavorable outcome of the experiment in the United States, the Government plan at once becomes a disturbing factor, and arouses hostility to Government policy and an inevitable lock of unity and enthusiasm, that cannot but react unfavorably towards the success of the loan. Why was this foreign element, this cleavage, introduced on the very eve of the opening of what otherwise would have been an appeal to an undivided public support!

Action towards acquiring the Grand Trunk is badly timed in the case of the United States as well. A strong organization has been built up to canvass for many millions of subscriptions over there. Right on top of this, indeed in its face, comes a proposal by the Government to duplicate what is admittedly a regular plague-spot in American politics. The great mass of the people over there are thoroughly sick of their disastrous trial of the public operation of railroads, not only on account of the financial losses that were enormous, but on account, even more, of the wretched service that followed in its wake. Now from top to bottom, from the President to the individual voter in the primaries, they are crying to be rid of it. And now, at this fine psychological moment, Canada ties itself up with a scheme that investors there strongly condemn, and an unhealthy atmosphere is created for the Canadian loan among those on whose assistance we could depend, not only for the present loan, but for a goodly share of our financing for at least five years to come.

NEW C. P. R. LINE

Contract For Alberni—Great Central Lake Line Is Let

By Special Representative.

VANCOUVER. — On his return from Vancouver Island this week, R. Marpole, executive agent on the coast for the C.P.R. announced the awarding of a contract to the Foundation Company of Victoria for the construction of the extension of the C.P.R. from Alberni to Great Central Lake. With the completion of the line great timber tracts in the vicinity of Great Central Lake will be tapped, the traffic charges from which, it is stated, will pay for the line within a couple of years. The line is to be completed by July of next year.

OTTAWA SEES TROUBLE SIGNS IN G.T.R. DEAL

Grave Danger of Patronage Evil Recognized by Many Members

SOME PORT JEALOUSIES

Relations of St. John and Halifax and Portland Already Becoming Strained at Prospects of New Conditions

By Resident Representative.

OTTAWA.—Under the arrangement for the taking over of the Grand Trunk Railway which is now being discussed in Parliament, and which will certainly go through even if the Government has to resort to closure, Canada becomes the owner and operator of the largest railway system in the world, with a total mileage of over twenty thousand miles, and over sixty thousand employees.

The final arrangement as presented to Parliament was a departure from what was generally expected and from what the Government really desired. The history of the negotiations shows that the desire of the Government was to acquire the road on a rental basis, and it was on this basis that the negotiations were conducted until it was seen that there was no hope of arriving at an agreement. Eventually the present proposal was made and accepted, apparently at the last moment, which is the answer to the criticism of the Opposition that this important legislation was brought down at a time when the House was on the eve of adjourning.

There is the fear, which is entertained honestly by many both in and outside the House, that Canada is taking over an undertaking which, if conducted on the lines of the railways hitherto under Government management, is foredoomed to failure through the impossibility of keeping it clear from the curse of political influence and patronage. With a list of employees of over sixty thousand, and with the control of an expenditure which will run up into the hundreds of millions, there would be an enormous opportunity for graft, nepotism and patronage.

When we see members of Parliament openly advocating the return of the patronage system, and many others silently favoring it, it must be admitted that there is a danger such as has been mentioned, but at the present time the railway administration by a board has been on strictly business principles, and it is the intention of the present administration to continue this course. The Railway Board has certainly not been allowing politics to influence its course.

Jealousies Between Ports

During the discussion in the House there was a point brought up which may be pregnant with future trouble —such troubles as are inseparable from a Government-owned concern. One of the New Brunswick members on the Government side asked what was to be the future policy of the Government with regard to the ports of St. John and Halifax, where great expenditures had been made in order to take care of ocean freight. Would that be diverted to Portland? The reply of the Minister of Railways was diplomatic but indefinite. He hoped there would be plenty of traffic for all the ports.

About the same time, at the other end of the building, in the Senate chamber, Senator Power of Halifax was voicing the fear that Portland would get the lion's share, and he quoted figures showing the relative distances from Montreal and Toronto to Portland and to the ports in the Maritime Provinces would seem to justify the expectation. It is almost certain that the shorter haul from Portland will have an irresistible appeal.

At the time when the British preference was put in operation, and it was urged that it should apply to such goods as were imported through a British port, there was very strenuous opposition to the idea from the importers of Ontario.—T.M.F.

The Shawinigan Company has formed export company with headquarters in London, England, to handle calcium carbide acetic acid, etc., its own product.

Little Milk From a Starved Cow

Baltimore "American."

Port Arthur's Finances—a Local View; a Kitchener View

The plain business-like statements regarding the serious financial position of the public utilities owned and operated by the City of Port Arthur, and the effect upon the tax rate and sinking funds, which appeared in THE FINANCIAL POST of October 4th, attracted the particular attention of two newspapers which referred to them in their issues of the same date, October 7th. These were the Port Arthur *News-Chronicle* and the Kitchener *News-Record.*

The Port Arthur paper published both of THE FINANCIAL POST'S articles in full and in its editorial comment endorsed our attitude and gravely spoke of the situation of which its editor had first-hand knowledge. The Kitchener paper, published hundreds of miles away in a great Beck-Public-Ownership stronghold, where Sir Adam turned on the first Hydro power, garbled the facts and attempted to ridicule the argument. We would ask the interested reader to study the parallel effect reproduced below:

THE RESULT OF INCOMPETENCY

Porth Arthur *News-Chronicle*

When a city's finances and general business are so conducted as to merit the severe criticism of the largest financial journal in the country, there certainly must be something seriously wrong. The *News-Chronicle* has for eighteen months been trying to get the people of Port Arthur to put their house in shape. The auditor has repeatedly pointed out the abuses that have taken place and warned the authorities of the dangers confronting the city. Yet the men and women who have their all invested here have been compelled to retain in office men who, in the bulk, have not realized the seriousness of the situation, or made any effort to put into effect the recommendations of the auditor.

Because they resented being told the truth enough voters rallied round the forces of incompetency to continue in office men who were bringing ruin upon the city, until to-day they face the humiliating position of having published to the world, through the medium of the largest financial journal of the country, facts and statements that cannot but reflect upon the credit of the corporation and depress the value of our securities.

THE FINANCIAL POST deals with the case of Port Arthur without gloves, basing its remarks upon the report of the auditor, and going pretty fully into the situation. In doing this it is but fulfilling its duty to the holders of our bonds, who, when they purchased, had every right to believe that the city's affairs would be managed in such a way as to make secure their investments. That those placed in authority have failed to meet this obligation is to be regretted, but the ratepayers have themselves to blame, and no one else. We may criticize the methods and want of method displayed by mayor and aldermen, but in the final analysis the ratepayers can take credit to themselves for the situation in which they now find themselves.

The astounding part is that possibly not one member of the Council from mayor onward, has familiarized himself with any of the reports submitted by the auditor, because if they had they could not have failed to grasp the significance of the advice and moderate criticism contained therein.

What has happened is past, and the plain duty that lies before the electors now is to apply such remedies as are at hand. We have no doubt that, given encouragement and competent support, some of the more able of our business men would devote time and energy in repairing as far as possible the damage that has been done, and by putting into effect sound business principles, overcome the situation and re-establish the city's affairs on a solid basis.

PORT ARTHUR'S DEFICIT

Kitchener *News-Record*

There is chuckling in the sanctum of THE FINANCIAL POST, Toronto, over the circumstance that Port Arthur has had a deficit in the operation of its public utilities. It now amounts to $178,674, which accumulated during the war period. A levy of three mills on their assessment will be required to restore the balance.

The first years of the war made heavy inroads upon Port Arthur, which is chiefly a water and rail transportation port. Manufacturing, as these centres know it, does not abound there. Like many Western cities, it found itself hard hit by war conditions. Relations between it and Fort William are none of the best. This militated against the successful operation of its interurban street railway.

Port Arthur owns and operates a telephone, light and power service as well as a street railway. Antedating 1914, these were all reported to have been on a paying basis. The fact that that city intends to pay off its deficit by a direct levy, now that conditions of trade have recovered, is proof that the city is self-reliant and is not sorry it owns these utilities. No mention is made of selling them.

A city of 15,000, having an assessment of $21,688,715, need not feel discouraged over a deficit of $178,000, when it is known that this was due to uncontrolable war conditions and not to mismanagement. Its being about to wipe out the adverse balance shows that recovery is taking place.

Of the total utilities deficit, $100,000 is chargeable to the operation of their street railway. This is seized upon by THE FINANCIAL POST as a text to condemn all municipal enterprises. It is the faithful henchman of private corporations.

In its eagerness to show its readiness to attack public ownership, it overlooks the fact that the Canadian Northern Railway came to grief during the same period and had to be taken over by the Dominion. Also that the Grand Trunk Railway has been brought to its knees and cannot longer carry its burdens.

Were private ownership of public services all that THE FINANCIAL POST paints it, why have these companies gone under? Cornered, THE FINANCIAL POST would probably say that the Dominion was lacking in its appreciation of what these railways designed to do, else they would have gone to their rescue and shovelled more public money into the railways' empty coffers.

It would say that it was the war which hamstrung the big railway systems, but that in the case of street railways, and other municipal undertakings, it was poor management. The fact is no country can make a war omelette without breaking eggs.

Port Arthur will, in all probability, again get on its feet, profiting by the experiences of the last five years.

MARKET MARKED BY BIG DEMAND FOR SPECIALTIES

A Number of New High Records Made During Week

TRADING IN BONDS

Heavy Movement in Government Issues Preparatory to the Opening of the New Loan Campaign

The speculative spirit has continued to make itself felt in the Canadian market throughout the week. With advances all along the line generally well held, some specialties have come into the limelight and scored new high marks. Some declines have been noted on profit-making, but the disposition to sell has not yet been sufficient to undermine the general optimism, although conservative investors are inclined to doubt the stability of some of the present quotations. In bonds there has been a big movement in the Victorys and other Government issues, with transactions for the week ending Thursday well over the $5,500,000 mark. Prices have been well held, however, with the assistance of the "Committee" and fluctuations have been narrow. It is generally recognized that what is taking place is profit-taking on the part of large holders, such as municipalities, corporations and institutions, which are in the position of realizing on the present premium market and investing in the new issue. In the mines section there has been no great activity, conditions continuing much as they have been, with the tone generally firm.

The American markets are not being followed by those in Canada to any great extent at present. Wall Street conditions have been unsettled throughout the week, with a lot of see-sawing in evidence. The raising of the money rates has been a factor, but its effect has only been temporary. Profit taking, too, has shown a tendency to carry down some of the stocks, but the speculative spirit has made itself evident in relation to a number of specialties which have been boomed to new high levels. Generally speaking, the ups and downs have indicated a readjustment rather than any particular trend, and it

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STEEL FIRMS NOT IN HURRY TO END A WANING STRIKE

Companies See Strike is a Failure and Avoid Serious Clashes

STEEL COMES HERE

Scotch Rope and Other British Goods Are to be Placed Back on Canadian Market if Plan Succeeds

By A. R. KENNEDY,
Editor "Canadian Machinery."

The steel strike in United States has none of the earmarks of a real, honest-to-goodness steel strike. It lacks vim or vigor or some of the other qualities that are usually supposed to go along with strikes. Whatever it may be, the fact remains that it is petering out. The trouble with this process is that it is too slow. It has been losing ground for over three weeks now. The strike did gain for about three days and then started to fall off.

Why the strike continues, in such circumstances, is not altogether clearly apparent. One reason, no doubt, is that almost all the real strikers are ignorant foreigners and do not know that the strike is hopeless from the standpoint of winning any concessions, while undoubtedly another reason is that the American Federation of Labor officials are indisposed to make an effort to stop the strike as long as the labor conference at Washington is in session. The calling of the strike just before this labor conference did not help the union cause by any means, but with the strike once started it is better to keep it up than to acknowledge its failure. As to the radicals, who really produced the strike, chiefly Fitzpatrick and Foster, they have no interest in calling off the strike if they see it is lost, as they have nothing to save out of the wreck. The case is different from that of an ordinary strike of a union, when, if the strike is lost, it is to the advantage of the leaders to get the men back to work so that they can be reorganized for further attempts in future. An incidental reason why the strike wanes so slowly is that the manufacturers are not making anything like strenuous efforts to resume. They think haste would result in clashes, probably serious, by men desiring to return to work and those who wish to prolong the strike, and they prefer to let the men get thoroughly tried of striking.

Shipments Are Good

Meanwhile shipments to this country are coming through fairly well. As a general thing there does not seem to be any tendency on the part of the purchasing public to worry the steel companies for better deliveries than they have been giving. They understand fully the position in which the mill men are placed, and do not wish to embarrass them.

A certain amount of skelp—the semi-finished material from which pipes are made—has been shipped across the border, and although shipments of tubes have been very much off from U. S. mills there is a feeling in the trade from now on there will be a better showing.

Sheets continue to be a line very much affected, and there is no improvement in the size of the tonnage that is coming across the border. There is a big demand for certain lines of material in this country just now, and unless all signs fail, it is going to increase very materially.

A decided effort, backed and aided by fairly well-organized agencies, is being made to get certain lines of British goods back on the market in this country again. Take for instance such a line as wire rope. Before the war, Scotch rope was much in favor here, but with the advent of hostilities this was largely withdrawn of necessity, and its place taken by importations of American-made rope. The business of the United States rope-makers has increased very considerably in this country, while the Canadian makers themselves have not been slow to take advantage of the situation. At present they are turning out a nice volume of material of good quality.

Whether the British makers can "come back" quickly remains to be seen. Several Toronto men, who have spent some time in Britain recently, report that engineering works there are very busy, and are booked up for deliveries a long time in advance, and it may be that they are not yet in shape to leave domestic trade to look after export business.

TRADING WITH FRANCE

That unlimited opportunities exist for trade with France, is the message that is being given to Canadians every day by trade representatives in that country. E. R. Bruce, who had charge of the C.P.R. exhibit at the Lyons Fair, and who is now touring Canada, is pointing out this trade opening to manufacturers throughout the country. Speaking in Calgary, he said:

"The French people and manufacturers are clamoring for all kinds of imports, raw materials especially, and even the high tariff imposed by the French Government in order to help remedy the exchange situation, is unable to halt the flood of imports pouring into France. This is especially true of such materials as textiles, lumber, leather, and the manufactured products of these commodities. I believe that once peace is definitely settled, the exchange situation will soon right itself and I understand that French representatives are now waiting in New York to take up the subject of credits to stabilize exchange as soon as the United States decides on its course towards the peace treaty."

ADEQUATE R.R. RATES SOLUTION OF PROBLEM

Pennsylvania Railroad President Pleads for Business-Like Arrangements

The demand of American railroads for immediate action by the United States Government to clear up the unpleasant state of affairs now existing in railway matters in that country, was voiced by Samuel Rea, president of the Pennsylvania Railroad, speaking before the American Bankers' Association in St. Louis. The railroads do not care to operate under a practical Government guarantee as at present, but want equitable rates to enable them to operate on a business-like basis, said President Rea, who added that basing railroad credit, not on earnings, but directly on the treasury of the United States, was bad for the nation's finances and business and a burden on taxation. Mr. Rea summarizes the situation as follows:

"Railroad earnings and credit must be created sufficient to support the existing railroad investment and attract the additional capital the transportation business requires in the public interest. New capital cannot be commandeered. Therefore, adequate rates made under public approval, with opportunity for competition, initiative and inventive, is the effective remedy for the whole problem in my opinion. If adequate rates had been granted in the past decade, there would not have been a railroad problem.

"If public regulation does not allow earnings sufficient to sustain railroad credit, and provide necessary transportation facilities, the public will be forced to regard regulation as a huge waste of money, time and effort, and demand a simplification of the situation, and start with a new slate, or drive straight for government ownership with its train of higher costs, inefficiency, and political domination of the employes and of the industries depending on the railroads. National reconstruction cannot be accomplished while railroad investments and credit are left in an unsatisfactory condition."

FLOUR MILLS MAY LOSE EXPORT TRADE

Europe Anxious to Buy Wheat, But Does Not Want Flour

Despite the fact that the only suggestion of price changes in flour recorded lately was a suggestion for an increase, there has been a general tendency to curtail buying pending a possible decline. Unquestionably there has been a very marked falling off in domestic business as compared with some two or three weeks ago. Just what is responsible for the impression that prices will be lower it is hard to decide as with the increased cost of wheat, bags and other incidentals, there seems to be no possibility of anything of the kind. It is probable, however, that the main reason for the decline is the re-establishment of stocks in wholesalers and retailers hands, as the buying of some weeks ago was of abnormal volume following another lax period.

With export business still available, the mills do not feel the falling off to any great extent, though they are none of them running at full capacity at present. Indeed, even at a half capacity run, the present export orders will not last for long, and unless others are forthcoming the mills will be in for a very dull time indeed. With the increase in the export business the mills are getting more mill feeds than has been the case for some time, and as there is an excess demand for these, there is a very brisk business.

Just what the future holds for the mills is very uncertain indeed. No assurances have been received from the Canada Wheat Board of any further orders, and it is well known that Britain and the Allied countries are by no means eager to purchase Canadian flour. They want the mill feeds that are the by-product of flour to help re-establish their livestock industry, and for that reason are in the market for wheat, but not for flour. This condition is serious both to the miller and to the farmer. A hard and fast maintenance of any such decision would mean the limiting of Canadian mills to a strictly domestic business, which with large plants equipped to handle the Canadian demand many times over, would mean very serious days for the industry. The farmer, while he would get a good price for his wheat, would have to pay higher and higher prices for mill feeds for his livestock, as these stocks become more limited by the declining output of the mills.

COMMERCE BOARD MAY QUASH PORK PRODUCTS ORDER

Board is Not Unanimous That Order Setting Prices Was Wise

EFFECT ON FARMERS

Meant Killing Hog-Raising Industry in Canada—Arguments Advanced by Packers Last Week

By J. L. RUTLEDGE.
Editor "Canadian Grocer."

The stay of execution of the order recently issued by the Board of Commerce, setting a price on pork products on a basis of those in effect on March 10th last, pending a further consideration of the case, seems to indicate that certain members of the board at least, are not convinced in regard to the wisdom and justice of the order, now that more complete facts have been placed before them and there are indications that when the case has been argued before the Board of Commerce during the coming week, in all probability the order will be withdrawn.

The newly organized Canadian Meat Packers Association, of which J. S. McLean of the Harris Abattoir Company, Toronto, is president, will appear before the Board in Ottawa, and ask to have the order quashed, on the ground that it was not based on a complete knowledge of the facts, and that it would be destructive to one of Canada's most important industries, that of hog raising.

That this is no idle argument is manifest from the number of brood sows that are being received at the stockyards; the farmer evidently sees no future for the industry under the proposed regulation, and is preparing to go out of the business. As has been amply proven by conditions existing at present in Europe, it is far easier to let such an industry die than it is to re-establish it, and for that reason the Canadian Meat Packers' Association are doing all in their power to re-establish the confidence of the farmer, and to prevent a continuance of the practice mentioned. J. S. McLean, in presenting the case that gained the change in the commencement of the order from Oct. 15 to Nov. 1, not only made it perfectly plain that setting the price on a March 10 basis, because the price of live hogs then and now was approximately the same, was not a reasonable basis, because it took six weeks to process a hog, and that the buying prices six weeks previous to these dates was anything but the same, but he also laid stress on the fact that the market of March 10 was not a normal market. The British Government, after enormously heavy purchases, suddenly ceased buying, leaving heavy stocks on hand. Naturally, there was a sharp decline, and March 10 was in this sharp decline period. The same conditions do not obtain to-day, and consequently to fix prices at the present time on a March 10 basis, has not even the semblance of reasonable understanding.

These arguments were sufficient to convince Chairman Robson, and Commissioner Murdock of the need of further consideration, and it practically depends upon the concurrence of W. F. O'Connor in the opinion arrived at by his colleagues whether or there is a change in the ruling.

VARSITY MEMORIAL

Within the next few days leaders in the financial world of Canada and the United States are to be appealed to in the interests of the Toronto Varsity War Memorial Campaign, the idea of which is to raise half a million dollars to perpetuate, by the erection of a Memorial Tower and Gateway and the establishment of scholarships and a lectureship, the record made in the great war by graduates and former students of the University of Toronto. Preparations for this campaign have been under way for some time under the guidance of R. A. Cassidy, a well-known graduate who has been making his home in New York, and who has carried on big financial campaigns in Canada and the United States for many years. He has met many old schoolmates since coming to Toronto, not a few of whom are connected with banking and brokerage houses, and it is his intention to line them all up in the good work.

"The financial men of Canada can do a great deal towards making this campaign a success," declares Mr. Cassidy, "and I feel sure that bank managers and all who come in touch with the public will do everything possible to perpetuate a record which cannot be beaten by any University, no matter where it is situated."

Already a number of financial men in Toronto have taken an active interest in the initial steps of the campaign and on the committee of 150 graduates being formed in Toronto are a number of leaders in banking and brokerage circles.

PAPER MONEY

Issue of British Currency Notes Severely Criticized

LONDON—During the past fortnight more than £8,000,000 in currency notes has been added to the amount already outstanding, while only £900,000 has been added to the amount of gold and bank notes held against them, according to the "Daily Mail." The newspaper attacks the Government for its "waste and extravagance" in thus creating more than £7,000,000 in paper money, which, it says, tends to increase popular extravagance and such "gambling as is now prevalent in the stock exchange." It is said that this money may lead to further wage troubles.

STEEL'S DISSOLUTION SEEMS IMPROBABLE

U.S. Supreme Court Will Rule as to Whether Big Corporation Renders Service

NEW YORK.—In the final Supreme Court hearing now coming on will the United States Steel Corporation be dissolved? The answer seems to resolve itself into the question, 'Do size, financial strength and business efficiency honestly acquired and beneficially used violate the Sherman anti-trust law, so as to fall within its destructive mandate?" The question is put in the closing paragraph of the Steel Corporation's supplemental brief in the appeal in the Supreme Court of the United States fram a unanimous decree of dismissal of the Government's suit in the United States District Court for the District of New Jersey.

On October 26, 1911, the bill was filed by the Government. It contained the usual formulae and formularies It charged the principal defendant and twelve constituent co-defendants with forming an organization in restraint of trade. It asked that its operations be enjoined and that it be dissolved. This step was taken ten years after the organization of this country's greatest and most powerful single weapon of industrial growth and as it has since turned out, of military defense.

A record of 57 volumes containing 15,927 pages comprises the evidence and the bulk of the proceedings. The witness lists include every living individual prominent in the steel and iron industry of this country for fifty years; friends, foes, neutrals, competitors and onlookers. After argument it was held under advisement by the court below for six months. The court consisted of the full bench of the Circuit Court ,Judges Buffington, McPherson, Hunt and Wooley.

June 3, 1915, through separate opinions, the conclusion was unanimously reached that the bill should be dismissed.

1. The defendant is not a monopoly.
2. It had not in itself restrained trade.
3. It never acquired the power of a monopoly or to restrain trade.
4. It had never attempted to restrain trade.
5. Such attempts as had been made to restrain trade in co-operation with competitors, had been abandoned.

CUT IN RATES TO SOUTH AMERICA

British Competition Has Effect Upon American Shipowners' Charges

NEW YORK.—Reduction of freight rates by one-third by the United States Shipping Board to ports on the east coast of South America has several extraordinary and significant features. It is understood that the dominating motive in this sudden move was the expectation that British shipping interests would soon take action which might mean serious competition. Some concerns representing British ship owners have already underbid, it is pointed out in shipping circles. An exceptional circumstance is the fact that this change did not originate with the Shipping Board. Last week representatives of South American lines in New York held a meeting and decided the time was ripe for a reduction. Thirty-three and a third per cent. was regarded as the proper basis. The decision was taken to the Shipping Board and its approval received. The new schedules were made up by the steamship companies themselves. The Shipping Board did not even have copies of the schedules, but referred shippers to the steamship companies operating their South American ships. Hitherto the Shipping Board has been jealous of its powers in the matter of regulating rates.

There is no question that British rivalry was a controlling factor in bringing the steamship companies' representatives together. Norway and some other neutrals were also cited as competitors. Aside from the question of foreign competition, there has been a feeling among shipping men connected with the South American trade that the rates were artificially high, and that a reduction was necessary as a stimulus to South American exporting business.

CAN. COTTONS' UNIQUE PLAN OF SHARING PROFITS

Offers Even Division of Advantages of Increased Production

REFUSING BUSINESS

Owing to Production Falling Off—Makes Possible All-Round Wage Increases Through Co-operation

By Resident Representative.

MONTREAL.—One of the important experiments in the direction of a co-operative arrangement between a Canadian plant and its employees has been undertaken by Canadian Cottons throughout its seven mills. The plan is a unique one in that increased production, rather than profits, is the basis for the increased wages that will be paid, and probably never has been tried out before. The scheme has been put into operation within the past few days in the three mills of Canadian Cottons at Cornwall, also at the Hamilton mill, the two at St. John, N.B., one at Milltown, and one at Marysville, N.B. Already inquiries have been received from a number of manufacturers who have heard of the plan, and a successful operation would mean a spreading of the principle in many directions.

In outlining this plan for THE FINANCIAL POST on Thursday, A. C. Dawson, vice-president and general manager of Canadian Cottons, explained that the company had reached the limit of increases in wages for their employees under existing conditions of production; any further advances must be conditional on greater production, which, in turn, would decrease overhead charges per unit of production, and thus add to the profits of the mills. It was proposed to distribute these increased profits on the basis of fifty-fifty between the mill and its employees.

Based on Capacity of Mills

The basis of production taken was the percentage of the rated capacity of the looms. In the case of the "Canada" mill, for example, this had fallen to about 65 per cent., while it might easily be brought up to 85 per cent. through the co-operation of the employees. The company proposes, then, that, starting from the present, the company and employees shall share equally in the profits accruing from increased production, and in direct ratio to such increase. Thus the company has agreed to pay the operatives, at the end of each succeeding three months' period, a sum equal to 1 per cent. of each operative's wages for every 1 per cent. increase of production obtained henceforth over and above the present average of 65 per cent., which may be considered as the "dead level." If the production is increased to 75 per cent., each operative will receive an increase of 10 per cent. in wages; if to 85 per cent., the increase will be 20 per cent. The present average of production has been figured out for each mill, and the increase over this in each case will be the basis for increases in wages.

In order that each operative may at all times keep in touch with the production figures, these will be posted week by week on the usual notice boards. Moreover, in order to establish a healthy rivalry among the various mills the results at each mill will be posted for purposes of comparison as well.

Before going into the reason for this method that had been chosen, it might be well to state that early last spring the company made an offer to the employees to reduce the hours of work from 55 or 57 to a uniform 50 each week, paying the same wages for the shorter period. This worked out at an advance of about 14 per cent. in wages. Later a further advance of 5 per cent. was given. These increases, aggregating nearly 20 per cent., were all that the management felt possible under existing conditions. For, contrary to all theories that have been held in many quarters, it was found by actual results that reduction declined in proportion to the drop in hours of working. This at once increased the costs of production, for the greater the production from the same plant, naturally the lower the unit cost of production, and vice versa. In seeking to provide an incentive to the operatives to increase production, the company chooses the only means of increasing the margin of profit, and thus providing the means for further increases in wages.

But there has been a further cause of decreased production, which has been termed "absenteeism," the taking of additional holidays by employees, a condition that higher wages is apt to accentuate, and has done to a greater extent probably in England than in this country. This point is handled thus in a circular letter the company has issued to the employees:

"Some reduction in product as a result of the shorter working hours recently put into effect is naturally expected. The chief cause of the small production to-day is, however, idle machinery, caused in some instances by a shortage of workers, but more particularly by irregular attendance of many workers now on the pay roll. The Company's earnings, based upon present limited production are only sufficient to meet the operating expenses, depreciation, necessary renewals and war taxes, and at the same time to give the shareholders a reasonable return on their investment. The management, therefore, while deciding to put into immediate effect another moderate increase in wages—averaging about 5%—is not in a position to do all that it would like to do for the workers."

To this the company added a frank statement of the need for the desired production, as follows: "There is, at present obtainable, a large volume of European and other foreign business, as well as an increasing demand at home, by participating in which Canadian industry would be greatly benefited. Our company is totally unable to participate in this business owing to its greatly reduced production."

The desirability for the increased production was thus made clear: How

Continued on page 16.

LADY RHONDDA VISITS PEACE RIVER COUNTRY

Wife of Welch Coal Magnate Takes Direct Interest in Late Husband's Projects

VANCOUVER.—Of particular interest to the northern development of the province of British Columbia and to the settlers located there, was the visit to the coast this week of Lady Rhondda (wife of the late great Welsh coal magnate, D. A. Thomas) and a party of shareholders in the Peace River Development Company and the Peace River Trading Company. Settlers in the north have been somewhat uneasy since the death of Lord Rhondda as to what action the executors would take with regard to future development along the Peace River, but all fears are now allayed following the annual meetings of both companies which were held in Vancouver with Lady Rhondda, the president, in the chair.

In company with her entire party she had visited the company's interests along the Peace River and at the meeting expressed herself greatly pleased with the north and the possibilities for extensions of the various interests there. The Development Company operates two boats, the D. A. Thomas and Lady Mackworth, and so heavy has grown the trade that it was practically decided to build a new steamer and improve the service. The Trading Company operates a chain of stores, and these too, have been very prosperous, the future being exceedingly bright. It is probable that the new boat will be constructed net year according to a statement of one of the local directors.

The election of officers of both companies resulted as follows: Lady Rhondda, president; R. Kerr Houlgate, Wendell Farris, Senator L. W. Shatford and General Manager V. Lloyd-Owen, directors.

A CANADIAN FAIR

Project Discussed for Industrial Exposition in London

The London representative of the Montreal "Gazette" reports that H. Grenville Montgomery will sail for Canada next week to discuss the proposal for a Canadian fair, to be held in the British metropolis next year. The British Industries Fair is to be held at London in 1920, and the Canadians are invited to exhibit, but very few have responded. It is thought, however, that if Canada could compete at Lyons Fair, the Dominion could have an exhibition of its own in the centre of the British Empire, at a time when Canadian manufacturers are so keen to embark in the world export trade.

POPULARITY OF THE AUTO

United States Has Three and Half Times as Many as in 1914

CHICAGO.—Registration of motor vehicles in the United States has increased at a rate of over one million a year for the past five years.

In 1918 there were registered over 3½ times as many as in 1914. To-day many automobile manufacturers, even though no longer on a war basis, cannot supply the demand for their cars.

Capital invested by manufacturers of motor cars, bodies, parts and accessories was well over one and a quarter billion dollars in the early part of 1918.

RAILROAD EARNINGS

The traffic earnings for the first week in October show smaller increases than the last week of September, but all three lines are ahead. The figures compare as follows with last year's:

	1919	Increase	P.C.
C. P. R.	$3,965,000	$507,000	12.8
G. T. R.	1,611,553	150,815	10.3
C. N. R.	2,102,281	313,101	17.5
Totals	$7,678,834	$970,916	14.4

AVOIDING STRIKES SIMPLY A MATTER OF CO-OPERATION

Head of Endicott-Johnson Co. Tells How He Deals With Men

CONFIDENCE NEEDED

Deal With the Individual Worker, Assuring Him of a Fair Deal and Unions Will Lose Their Power

H. B. Endicott, senior member of the Endicott-Johnson Company, the vast New England shoe manufacturing concern that boasts of never having had a strike in its plants, has earned the title of unofficial mediator of strikes in Massachusetts. In the past few years he has settled amicably nearly three hundred strikes in that state. He was one of the men chosen by President Wilson to attend the sessions of the Industrial Conference now meeting in Weshington. In an interview recently he told some of them his ideas and ideals and they go a long way to explaining why capital and labor find a common meeting ground in the Endicott-Johnson organiaztion.

Some of the points brought out by Mr. Endicott in the interview are contained in the following paragraphs:

"It isn't a matter of capital acceding to the demands of labor or of labor making demands upon capital. Capital and labor are arbitrary terms for human groups who have human relationships with each other. The crux of the matter lies in establishing a relationship of understanding and confidence between the two human factors in industry.

"There will be no happiness and rest in industry until the workers cease to look upon the employer as their enemy and until the employer considers his employees as allies. Treat a man as a man whether he deserves that treatment or not, if you want to get any results of lasting value.

Matter of Understanding

"We have a profit-sharing plan in our plant, but I do not consider either industrial councils or profit-sharing the real way to solve the problems of capital and labor. It is a matter of attitude and feeling and understanding. First, get to understand that the men are humans and need good wages, good hours, good homes, good recreation, and then, if you will, try out any new-fangled notions that you choose. They may work; they may be of value; it is all a matter of experimenting and finding results.

"Labor unions are the result of exploitation of labor by capital in the past. Labor unions were organized for the main purpose of holding that ruthless power within bounds. That succeeded in a fashion, and many large employers who would otherwise not have done the fair thing by their men were by force of these labor organizations made to follow the lines laid out by more progressive and humane employers.

Labor Unions Also Tyrants

"So far so good. But what happened next? Because of the policies of a number of their class all capital is condemned; the labor organizations grow louder and more strident in their demands, until, unknowingly perhaps, they adopt the same sort of whip-hand methods that they condemned in a percentage of the employing class, and proceed to use them over all. The tables were turned, and the curb or check which was in the past valuable to keep in bounds one factor of industry now needs application in the other.

"Labor unions have come, and they are going to stay. There is no getting away from that. But just as the demands they make are unjust and unreasonable they are going to fail.

"We have reached the peak of the labor unrest to-day. The public at large has become educated to the point where it will not countenance autocratic methods either on the part of capital or labor. There is not a doubt in my mind that we shall get over this crisis safely and sanely, and in the only way which will insure the life of American industry.

Way to Avoid Strikes

"You ask what can be done to prevent strikes in the future. Teach men to appreciate the business value of creating a feeling of co-operation in business. You say that that is a matter of educating and changing of human nature. Very true. But in the future it will come. Not as a matter of philosophy, please understand, but as a matter of sound business sense.

"In the meantime what will we do? Many things are possible and probable. But I am sure of one thing, and that is that every employer of labor must never lose sight of the fact that he at least must do everything in his power to create confidence. Without confidence nothing will avail.

"The wise thing, of course, is to go to the root of the matter and change the conditions that give cause for strikes. Strikes are demoralizing to every factor in industry. Once a strike is called, however, the thing to do is to come together. You ask whether I, for one, would consent to mediate with a committee from a labor union. Yes, for the reason that I will see any man who thinks he can tell me anything about the conditions of labor in my plant.

Deal With Worker Himself

"When it comes to making an agreement, however, that is a different thing. That's where John Smith and I get together on the subject. Personally, I have had no occasion to make agreements with any labor organization; therefore, it is difficult to say what my stand would be in a situation such as that in which some of the industries are to-day finding themselves. This much, however, is clear: No sane order of society can countenance an agreement forced upon one of its members or a group of its members by a highway robber. Some of the demands made to-day by some labor organizations are comparable to that.

'There has been a good deal of talk about letting the worker actively participate in the management of the plants; that therein lies the only solution to the labor unrest; that the questions of wages and hours have been relegated to the past by virtue of their being dead issues, and that in order to keep up a healthy line of production the worker should have an interest in the administration of the plants. I have never been able to see it that way. The worker does not want to participate in the management of the plants. He wants a fair deal in his individual job. He wants good working conditions, good wages, and a good home. He doesn't care two cents about anything else connected with the shops. There are other things to take up his time and interest. Once he is assured on the point that his employer is doing the honest thing by him, his mind is at ease as far as labor troubles are concerned. That assurance, however, must come from the man higher up. Give a man a potato patch to dig in when he comes home and he won't worry and will have no desire to worry about the number of shoes his employer turns out."

AS WAGES GO HIGHER EFFICIENCY LESSENS

Manufacturer Cites Instance to Show How Production Drops

"While the Board of Commerce is providing the newspapers with a great deal of talk about profiteering in the clothing industry, I am losing money every day," said a large manufacturer of custom-tailored clothing to THE FINANCIAL POST, this week. This manufacturer attributes his losses, and to a great extent, the present high price of clothes, to the lessened efficiency of labor, and backs up his statement with actual figures from actual operations of his establishment. Before the war his plant had an output of from 275 to 300 tailored suits each week. Now, with an increased staff, with wages up from 75 to 100 per cent, and with improved appliances, he can only manufacture about 240 suits per week, and the highest record he has attained to in the past few years was 267 suits in one week.

Taking a typical employee as an example, this manufacturer states that one of his "edgers," to whom he paid a salary of $28 a week in 1914, and who is now drawing $48 a week, is less 75 per cent. as efficient as he was five years ago. When he is asked to speed up, he refers the employer to the walking delegate of the union, to which he belongs, and who designates each week how much work he shall do for his employer.

Nor is this an isolated case, for similar conditions prevail in every department of the factory. And this in the face of the repeated warnings of careful thinkers everywhere that only greater production, greater efficiency and greater economy will bring prices down.

EMPLOYMENT SITUATION

Further Improvement During Latter Part of September

OTTAWA.—Reports from employers to the Dominion headquarters of the Employment Service of Canada, Department of Labor, show that, disregarding unemployment due to strikes, the volume of employment increased again during the week ending September 27.

Returns for the week ending September 27 show that 4,414 firms reported to the Employment Service, which firms had 640,900 persons on payroll as compared with 639,908 during the preceding week, an increase of 992 persons, or .2 per cent. An increase of 1,667 persons, or .3 per cent. was anticipated for the week ending October 4. Of the firms reporting during the week ending September 27, 2,143 were in Ontario, 968 in Quebec, 359 in the Maritime Provinces, 572 in the Prairie Provinces, and 372 in British Columbia.

BITUMINOUS SITUATION

Export Demand Steadies the American Market

NEW YORK.—Bituminous operators say the export demand is at present a more potent influence steadying the market than the prospects for a strike of the miners November 1. So far prices have not been stimulated by the labor negotiations, domestic requirements having been well satisfied in July, August and September, when consumers anticipated their needs for several months to come.

If it were not for the call for coal from abroad and ship bunkering bituminous men freely admit the situation would be much weaker. As it is, the low grade coals are again approaching oversupply. Expert movement is still slow for lack of greater supply of vessels, but is reported somewhat freer and the permit system for shipping to piers is working more smoothly.

Production in the last few weeks has increased to its highest this year.

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Effective Business Letters, Gardiner, $2.00.

The Young Man Entering Business (special full limp morocco), Marden, $1.50.

The Efficient Secretary, Spencer, $1.00.

Exporting to Latin America (565 pp.), Ernst B. Filsinger, $3.25; by mail, $3.40.

Principles of Factory Cost Keeping, by E. P. Moxey, price, $1.00.

Principles of Depreciation, by Earl A. Saliers, price, $3.00.

Unified Accounting Methods for Industrials, by Clinton E. Woods, price, $5.00.

Cost Accounting, by Major J. Lee Nicholson, C.P.A., price, $6.00.

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MAPLE LEAF MILLING

For the first time in nearly two years Maple Leaf Company common failed to appear among the stock transactions of the week. There is no reason to account for this sudden cessation of interest. It is a stock that has been accustomed to periodic flurries of excitement followed by comparative inactivity, and it will probably appear in the list again during the coming week. There is no indication of weakness in the 195 asked and 190 bid, though the asking figure is one point off the last preceding sale price.

LATEST G.T.R. OFFER BETTER THAN FORMER

Company Certain of Securing Much Larger Annual Payment

"GUARANTEED" RISES

4% Now Nearly 70—Had Paid Nothing for Past Two Years—Bond Interest Will Exceed $6,000,000

Advices from England give the impression that the terms of the Grand Trunk Railway acquisition are more favorable than had been expected, and the general impression in railway circles is that the Board and large shareholders of the G.T.R. are fairly well satisfied.

That the company will secure much more favorable financial treatment under the new terms than under the original offer can be taken for granted.

The first offer was for $2,500,000, to be increased first to $3,000,000 and then to $3,600,000, as a yearly rental by the end of eight years.

Under the new offer there is a guarantee of the $2,500,000 on the guaranteed stock alone, being 4 per cent. on £12,500,000 ($62,500,000). In addition there would be a 4 per cent. dividend paid on the arbitrated valuation of the first preference 5 per cent. stock, amounting to £3,420,000; the second preference 5 per cent. of £2,530,000; the third preference 4 per cent. stock of £7,168,055, a total of £13,118,055 ($65,590,275), and in addition the common stock of £23,955,437 ($119,777,185). On all of this there will be an average of 4 per cent. guaranteed by the Government. If on the total of $185,000,000 that will come up for arbitration the value fixed is $65,000,000, the payments would be $2,600,000 additional, or $5,100,000 in all, as compared with the original offer of $2,500,000 and the maximum of $3,600,000.

If the arbitrated price is cut down to $50,000,000, the additional annual payment will be $2,000,000, or $4,500,000 in all. This would be slightly more than $1,000,000 below the Grand Trunk's offer, as submitted by Sir Alfred Smithers.

Guaranteed Stock Jumps

Cables from London state that by Thursday the quotation on the £12,500,000 of 4 per cent. guaranteed stock had climbed to 69, an advance of nearly 20 points, as a result of the Government's plan to exchange this for 4 per cent. Government bonds. Indeed, for the past two years, 1918 and 1917, not a cent dividend was paid on this stock by the company, and some years in the past dividends were omitted. On the common stock no dividend has ever been paid, and the third guaranteed frequently has been passed by, as well as the second, and on occasions the first as well.

Under the original offer of the Government, as in the latest one, the debenture stock dividends were guaranteed as follows:

Guarantee of Dividends on Debentures.

	Amount	Dividend
Five per cent. Grand Trunk debenture stock	£ 4,270,375	£ 213,507
Five per cent. Great Western deb. stock...	2,723,080	136,154
Four per cent. Grand Trunk debenture stock.	24,624,455	984,978
Four per cent. Northern debenture stock	308,215	12,328
Total	£31,926,125	£1,346,968
Or		$6,734,840

According to the statement of Hon. Arthur Meighen in the House, the loans made to the Grand Trunk Pacific amounted to $54,000,000, with $16,000,000 securities in addition guaranteed, or $70,000,000. The loans and guarantee were as follows:

Loans to G.T.P.

1909 loan	$10,000,000
1913 loan	15,000,000
1914 loan	6,000,000
1914 loan, secs. guard.	16,000,000
1916 loan	8,000,000
1917 loan	7,500,000
1919 loan	7,500,000
Grand total	$70,000,000

PRODUCE MORE, EARN MORE

St. Louis Chamber of Commerce Diagnoses Industrial Situation

Production alone makes it possible to pay wages; greater production alone will make it possible to pay higher wages. This is the substance of a resolution passed by the St. Louis Chamber of Commerce, which brands underproduction as the greatest peril in the present business situation. It is pointed out that for five years, millions of men formerly engaged in constructive pursuits have been engaged in destruction. The only cure for the resulting situation is declared to be production. The resolution continues:

"Limitation of output can only diminish the amount of food, clothing and other desirable things the individual income will buy. It enriches nobody and helps impoverish everybody. When restricted production raises the price of necessaries the great sufferers are the wageworkers, for they are the greatest consumers. Present high prices are bound to go still higher unless the production of the individual worker all over the world is increased."

"We are heartily in favor of high wages provided arbitrary limits are not set to the production of the individual, for high wages bring about a more general distribution of the products of industry."

SAVING SALMON ON FRASER RIVER

Treaty Now Before U.S. Senate Means Much to British Columbia Packers

If the Fisheries Treaty between Canada and the United States that is now before the United States Senate is passed, it will probably mean the saving of the Fraser River fishing industry. So serious had the depletion of this stream become that many of the canners, and prominently among them the British Columbia Packers Association, has contemplated for some time the closing of their canneries on the river. If the proposed treaty becomes law, however, it is believed that the twelve days' close season for the next six years, and the limiting of the use of the purse seine, so that practically no sockeye will be taken in that manner, will be sufficient to restock the stream, and, under reasonable demands the stream should once more be a great asset.

Reports from the coast indicate that the total pack for the season will be about 1,250,000 cases, a falling off from last year of some 400,000 cases. While this is a very marked decline, it does not necessarily mean a marked falling off in income. Canners last year believed that war conditions might mean a possible market for chum salmon that had never been very popular, and prepared largely for this supposed demand. Their judgment in this matter was proved in error, as chum salmon were no more popular than formerly, and, as a result there is still a very large holding of this grade of salmon. The decline in this year's pack is practically all accounted for by a materially lessened chum pack, a condition that will work to the financial benefit of the canners rather than otherwise. There is an evident confidence in the satisfactory showing of the British Columbia packers during the present season. During the week practically 1,100 shares of common changed hands at prices ranging from 62¼ to 63.

INDUSTRIAL RELATIONS DEPT. FOR C.M.A.

Supported at Quebec and Ontario Meetings Held This Week

If further industrial conferences between employers and employees are held in Canada in the future, manufacturers will be prepared to present their case scientifically with backed-up statistics and well-formulated ideas. Steps are now being taken by the Canadian Manufacturers' Association for the formation of a Department of Industrial Relations to study relations existing between employers and employees, and to be prepared to furnish expert advice in connection with any further industrial conference. The department will replace the Industrial Relations Committee, now headed by C. H. Carlyle, president of the Goodyear Tire and Rubber Co., Ltd. Resolutions supporting the idea for such a department were passed in Toronto and Montreal this week, when the local members of the C. M. A. met to form provincial divisions.

Ontario and Quebec are the last of the provinces to organize provincial divisions. Quebec's division was organized, and at an enthusiastic meeting in Montreal on Thursday, at which G. H. Duggan, president of the Dominion Bridge Company, was elected president of that province's section, Howard Smith, of the Howard Smith Paper Company, vice-president, and W. P. Hughes, secretary of the Montreal branch, as secretary.

At Toronto's meeting, George H. Duggan, of the Thornton-Duggan Co. of Hamilton, was chosen president of the Ontario section, J. R. Shaw, president of the Canada Furniture Co., of Woodstock, vice-president, and H. MacDonald, secretary of the Toronto branch, secretary.

Sir Henry Drayton was present on behalf of the Victory Loan, and he informed the manufacturers that only by supporting the loan could they be assured of an export trade. He added:

"The country is committed to $125,000,000 of foreign credits. Every red-blooded Canadian wants to see our products go overseas and believes that old John Bull will go on and pay his debts in the future as he did in the past.

"Canada must hold the bank for some time and see that Canadian exports go out. The C. M. A. is going to do its best to see that this loan is a success, and that "Canada Limited" is a success, and the factories are going to be left open to Canadian workmen."

LICENSES FOR TREE PLANTING ON QUEBEC LANDS

Plan to Encourage Reforestation Presented by Pulp and Lumber Mills

HOLD 99 YEARS

With Privilege Cutting Wood When Mature — Guarding Against Reckless Cutting

By Resident Representative.

MONTREAL.—What was probably the most practical scheme for reforestation from a provincial point of view yet presented was brought before Hon. Horace Mercier, at Quebec this week, by a deputation representing the Canadian Pulp and Paper Association and the Limit Holders' Association of Quebec Province.

The plan presented was that certain lands in the province that were unsuitable for agricultural purposes or settlers should be set aside, and licenses granted for tree planting. A time limit of four years should be given for this purpose, and thereafter, if the stipulations were carried out properly, a further license should be given the tree planters for a period of 99 years, on payment of a certain sum per square mile. When the trees grew and were ready for cutting the property should be treated as ordinary Crown lands and a charge of so much per acre be made for cuttings, or stumpage dues. Thus those who were under the heavy expense of tree planting and waiting 35 or 40 years for the results of their labor should be compensated in the spruce and pine that would be suitable for pulp wood, and other purposes.

The deputation, which consisted of General White of Riordons, Ellwood Wilson of the Laurentide Company, J. Dalton of the St. Maurice, Dan McLachlin of Ottawa, W. Gerald Power of Quebec, A. L. Dawe, representing the Canadian Pulp & Paper Association, and others, were cordially received by the Minister. Mr. Mercier, the new Minister in charge of the department, THE FINANCIAL POST was informed, made a very favorable impression on the lumbermen and pulp and paper men, as his experience formerly in the Mines Department, and trips through the woods had put him in close touch with conditions and the pressing need for reforestation. It was pointed out that in many cases settlers secured valuable timber limits and wantonly destroyed large quantities, instead of conserving this.

Legislation, it is hoped, will be introduced defining those lands that are suitable for a settlement, and outlining the rights of settlers, as well as covering some plan of license for limit holders which will permit of bringing into effect a far-reaching policy of tree planting for the benefit of Canadians of the second or third generations.

TUCKETT RUMOR DENIED

Company Not Being Absorbed By American Interests

MONTREAL. — Denying rumors that the Tuckett Tobacco Co., Ltd., would shortly be taken over by a large American tobacco concern, which would be able to put Tuckett common on a dividend basis, one of the directors of the company stated that the story was without foundation and nothing but stock market fiction. The official also stated that the matter of a common dividend had not been discussed by the Board, although the company was doing a satisfactory business.

Prior to the semi-official denial, there was some lively trading in Tuckett common, which rose on Thursday from 55 to 59½, closing at 58, a gain of three points. Some 2,000 shares were dealt in.

CANADIAN MARCONI

That the Marconi Wireless Telegraph Company of Canada, Limited, is obliged to operate its Great Lakes stations and service at the present time of high cost of everything, under the terms of a contract entered into with the Canadian Government in 1911, was the reason established as to why the company found itself unable to meet the demands of its operators for an increase in salary. Representatives of the company showed that it was faced every year with a deficit in the Great Lakes service by reason of the over 50 per cent. increase in the cost of operation.

FEDERAL CEMENT

The announcement is expected shortly in the United States and Canada of an offering of $1,000,000 six per cent. first mortgage bonds of the Federal Cement Co., operating at Owen Sound, and incorporated under the laws of the State of Delaware. The new issue, it is understood, will be offered to the public at par and interest, with a bonus of 50 per cent. common stock.

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NEW INDUSTRIES IN CANADA BY PAPER MERGER

Blotting and Cover Papers, Deckle Edge and Other Lines at Cornwall

"H.S." WILL BENEFIT

Through Taking Over Toronto Paper Company—New Financing to Provide $1,500,000—Stock Jumps

Important developments in the pulp and paper industry of Canada are occurring almost daily, and more and more the stocks are assuming a lead on the exchanges. This week saw the final arrangement made for a merger of two properties, the Toronto Paper Mfg. Co. with the Howard Smith Paper Mills Limited, of Montreal. Technically, the Toronto Paper Company accepted an offer made by Howard Smith personally to purchase the stock of the company at $138 a share, to include a payment of 5 per cent. in dividends now due. The directors decided to accept this offer for their own stock, and the shareholders have the same privilege, declared Robert Waldie, the president. The option will be transferred to the Howard Smith Company by the president, and it may be considered as a matter of routine for the directors to conclude without calling any special meeting of the shareholders. Nor is it likely that the Toronto Company's shareholders will be called together, as the directors control over 51 per cent. of the stock and this is all that the agreement with Mr. Howard Smith calls for. Thirty days have been granted to complete the transaction.

New Lines to Be Made

The amalgamation of the two companies will mean important developments in paper manufacturing in Canada. Speaking to THE FINANCIAL POST, Howard Smith stated that the Cornwall plant, where there are four machines operating, would be extended in the lines manufactured to include Bristol boards, blotting paper, and cover papers, which are not to any great extent made in Canada at the present time. "We will also make deckle edge book papers, which we have to import now. Our imports of paper amount to $8,000,000 a year, and it will be our aim to cut this down by making many lines which we import now. The merger will be a good thing for the shareholders of our company, and for the paper trade in Canada in general."

With the four machines at the Cornwall mills and the three at the Beauharnois and Crabtree mills of the Howard Smith Company the output of the latter company will be increased to some 70 tons or more a day. The output of the Toronto company's mills is about 35 tons daily. With the new lines at Cornwall the output will soon far exceed this total.

Working Up Exports

Not only has the new move in contemplation adding to the goods made in Canada for domestic use, but it is intended to increase exports very greatly. At the present time, Mr. Smith stated, exports are being made by the two mills of the Howard Smith Company to India, China, Japan, Australia, South Africa and other countries, and indeed the mills cannot cope with the combined domestic and export demand.

In a short time there will be an announcement concerning the financing that will be required to carry the merger through. This will require, roughly, $1,500,000. The common stock outstanding amounts to $750,000 or 7,500 shares at $138 a share, would cost to purchase $1,035,000. In addition there are outstanding bonds amounting to $461,100 out of the original issue of $500,000, making a total of $1,496,100. The Howard Smith Paper Mills have common stock of $1,062,500, preferred of $475,000, amounting to $1,537,500, and had in addition bonds outstanding of $288,000 on the Beauharnois and Crabtree properties, which were redeemed this year through the recent issue.

Rumors as to Dividends

Various rumors are heard as to what form the financing will take, one of which is that the common stock of the Howard Smith mills will be subdivided in two, and a dividend declared on the doubled number of shares. In any event the time grows near when a dividend is almost certain to be declared on the stock, which has not paid any since April, 1918. With both mills running with large orders, and the Beauharnois mill soon to be operating two machines, the earnings are running much ahead of last year, when the Crabtree mill was running for only a few months of the year after being changed over from newsprint. Thus it would be no surprise to those shareholders in close touch with the company to learn that the earnings were far more than double those of the year 1918.

The Toronto Paper Company, at its last annual meeting on May 16, showed earnings of $162,373, as compared with $198,039 the year before. Current assets stood at $490,245, with current liabilities at $130,706. The directors of the company are: R. S. Waldie, president, Toronto; W. J. Sheppard, vice-president, Waubaushene, Ont.; Rev. Dr. William Briggs, Toronto; T. Albert Brown, Toronto; A. W. Briggs, Toronto; R. A. Lyon, Toronto; T. H. Watson, Toronto.

In referring to Mr. Smith's offer Mr. Waldie made the following explanation:

"I went into the Toronto Paper Company to hold it for the time being, in the interests of the shareholders," he said, "always in the hope that a suitable offer would come along when it could be turned over to regular paper men without the shareholders interests being sacrificed in any way. When this offer came, it seemed to me to be a fair one, and I think the shareholders will realize that their interests have been protected."

The Howard Smith Paper Mills. Limited, showed sales of $1.377.144 last year as compared with $1.122.215 in 1917, and net profits of $252,604, of which there was carried to general reserve account the sum of $91,292. The absorption of the Toronto company will give the Eastern company a more varied product even of the lines in which it specializes, and as has been observed, the machinery at Cornwall is of such a nature that it can be utilized for the new lines that are contemplated.

The action of the common stock was a little hard to account for. Before the news came out on Wednesday of this week the stock had run wild, going up to 145 from around 120, and then dropping suddenly to 131. It had closed 135 bid on Tuesday and again dropped to 131 on Wednesday, but soon firmed and closed with 140 bid. Many thought that the new financing required might weaken the stock for a time on the market, but there were few signs of this, and many are predicting a much higher plane.

NORTHERN OHIO

The earnings statement of the Northern Ohio Traction & Light Company for the twelve months ending with August 31 shows gross amounting to $8.419.974 as compared with $6.915.831 for the same period in the previous year, an increase of $1,504,143. Operating expenses amounting to $5.663.120 left gross income amounting to $2,756.853, which compares with $2.421,259, an increase of $335.594 Net income for the twelve months totalled $1,413,910, an increase of $101,686.

NIPISSING

Although Nipissing Mine was only operating six days in September, $66,395 worth of ore was mined, says H. Park, manager. The strike was called off on September 8, but the mine was not dewatered sufficiently to allow operations to be resumed until September 24.

ATLANTIC SUGAR JUMPED 10 POINTS

Very Promising Industrial Conditions—Production Doubled, and Arrears to be Wiped Out

By Resident Representative.

MONTREAL.—There was almost as much excitement beside the tickers on Thursday when Atlantic Sugar made its jump forward, as at a horse race. One could almost imagine the cries, "It's off!" For somehow or other this stock, which, owing to its strong industrial record, has a confident following, had been expected to start off far higher levels days and days ago, but it persisted in stopping down around 63 to 64, and now and then easing off half a point or so in spite of the heavy and steady buying that was going on persistently. Sometimes the explanation is made where a lot of buying fails to move a stock, that "accumulation" is going on, and certainly there was accumulation of thousands of share of Atlantic. When the stock did move it made a very respectable advance, scoring 10 points over the previous day.

In the industrial standpoint Atlantic is working night and day, and its output is said to be practically double that of last year. Export is good as well as domestic, and supplies of raws are assured. The settlement of the strike a few days ago removes a threatened difficulty far into the future, and with a probable wiping out of the four years or so of arrears on the preferred the outlook for the securities must be considered very bright.

RESUMING OPERATIONS AT DOMINION STEEL

But Brisk Market Requires Further Explanation Than That

With the partial resumption of operations at the Sydney plant, trading has become rather brisk in Dominion Steel. The chances are that it will require more explaining, though, to account for the strong favor of Iron, than the mere resumption of operations. At present prices this security is an 8.30 investment or even fractionally better. Word from Sydney says:

"For the present the mills will only be worked single shift. It was anticipated that one of the blast furnaces, and several of the open hearth furnaces would be put in operation to-day also, but none of these have been blown in or charged at present. There is a quantity of cold ingots on hand which will keep the blooming mill in operation single shift for a little time. The blooming mill and billet mill have undergone extensive repairs and they are now in a position to take care of any rush that may be required. With the exception of the open hearth and blast furnaces, all the other mills are in full operation. Gangs of men have been employed of late repairing and renovating the different departments, practically all of which ran without cessation during the entire period of the war. As one man put it: 'During the past five years, working a twenty-four-hour shift, the big mills were under heavy strain and received a bad shaking up. It is obvious, even to the most casual observer, that following such a strenuous period a shut-down is absolutely necessary so that the entire plant might be again brought to a high state of efficiency.' Skilled employees of the Open Hearth and rail mills are hoping for an early resumption of operations in their respective departments, but so far no official announcement as to when they are to go back has been made."

DOMINION CANNERS

There was somewhat of a revival in the interest in Dominion Canners common this week's sales, especially aftr dull trading for a couple of weeks past. There was a stronger feeling noticed, too, as the week progressed, the stock advancing from 52 to 56½. There is no reason for this other than a generally increasing confidence in the future of this stock.

ST. LAWRENCE FLOUR

At the annual meeting of the St. Lawrence Flour Mills the directors were reelected as follows: T. Williamson, president; Brig.-General A. E. Labelle, vice-president and managing director; George W. Grier, C. J. Fleet, K.C., and Joseph Quintal, with A. E. Gagnon, secretary, and D. S. Thornton, treasurer.

STEAMSHIPS EARNINGS

Increase Over Last Year's Record is Now Assured

MONTREAL.—So far from running behind last year, THE FINANCIAL POST is informed that the earnings of Canada Steamship Lines for 1919 are certain to be several hundred thousand dollars in advance of 1918. This is due in part to the wonderful tourist traffic of the past summer, while new freight line to France is beginning to tell, while in the future further extensions in freight lines to Belgium and Holland are projected. Both common and preferred were active this week and advanced to new high.

QUEBEC CERTAIN OF HIGHER FARES

Stock Has a Marked Rise—Prediction of Dividends Next Year

By Resident Representative.

MONTREAL.—One of the surprises of the week in the remarkably buoyant market was the rise in Quebec Railway, which passed 24 by Thursday. For the past year or two this stock has had a number of "false starts," rising two or three points or so and then lapsing back. The rise of the present week has all the earmarks of a genuine one, and may not stop where it is at present. One of the bullish features just now is the certainty of the granting by Quebec City Council of the increased fares asked by the company, as well as the extension of the higher gas rates for one year. Increased traffic on all the lines. Montmorency and Lotbiniere are also factors in the improved positions, and in spite of the deficit this past year, there are to be found shareholders hardy enough to predict a payment on common dividends next year. In any case it is safe to forecast a tidy surplus instead of a deficit next year.

AMES-HOLDEN HAS OWN FELT COMPANY

Another Subsidiary Mill Started—Close Opposition to "Consolidated"

By Resident Representative.

MONTREAL.—One of the new companies incorporated at Ottawa is the Ames-Holden Felt Company, Ltd., of Montreal, with capitaiization of $500,000. This is a further development of Ames-Holden, and at once calls to mind the Ames-Holden Tire Co., and the close parallel that is being followed out with the Canadian Consolidated Rubber Company. This has a felt company also, as well as a tire company, and is regarded as a necessary complement to a footwear business.

The stock of Ames common, after lying quiet around 99½ after touching par last week, had a new movement on Thursday, passing 101 and going on up to 102, within eight points of the preferred, which has large arrears owing in dividends.

SUPPLY WORLD'S ZINC

Canadian Mining Man Foresees Great Development Here

Important developments having as their end greater production of zinc, are foreshadowed by J. B. Warren, president of the Consolidated Mining and Smelting Co., Ltd., who is now in London, England, arranging a market for the product of the company's zinc smelters at Trail, B.C. Mr. Warren states that Canada can supply 10 per cent. of the world's demands for zinc, or 780,000 tons, although at present Canadian smelters only refine 25,000 tons yearly. The condition of the world market warrants every effort being made to expand our production to 780,000 tons a year, Mr. Warren thinks.

Europe, South Africa and India have unlimited markets for zinc and allied metals.

CANADA LAND COMPANY

New settlers have broken up 2,000 acres on the irrigated lands of the Canada Land and Irrigation Co. in Alberta, it is stated. A good deal of this land is being sold this fall, and it is expected that a large number of settlers will take up land in this section next year. The company expects to have water on 50,000 acres next spring. There is now seven feet of storage water in the big reservoir of the company known as Lake McGregor south of Gleichen, and the water is now moving through the company's ditch around the cutbank of the Little Bow River.

INTERNATIONAL CORPORATION

Announcement is made of the incorporation of the International Corporation of Canada, head office at 112 St. Francois-Xxavier St., Montreal, with a capital of $2,000,000.

The Corporation will engage in general trade, but primarily will trade in products of Canadian manufacture. Arrangements are under way for the appointment of representatives in the principal markets of the world.

It is understood that Mr. H. B. Thomson, late Canadian Food Controller, and at present vice-chairman of the Canadian Mission in London, will be associated with the International Corporation of Canada in an exec tive capacity.

RUSSELL MOTORS' SURPLUS ACCOUNT AGAIN INCREASED

Profits Are Reduced During Transition From War to Peace Footing

PROSPECTS ARE GOOD

Subsidiary Companies Have Satisfactory Reports for the Year's Operations, Look for Continued Prosperity

Re-adjustment processes have had their effect on the Russell Motor Car Company, Ltd., and the annual report shows a decline in net profits from $628,581 to $457,878, which, however, is almost 46 per cent. on the capital of $2,000,000. During the war the large profits made by the company were due to munition manufacturing, and with the coming of the peace this work was cut off, making the Russell Company practically a holding company for the Machine & Stamping Company, Ltd., the Canada Cycle & Motor Company, Ltd., the Willys-Overland Company, Ltd., and one or two other small subsidiaries. These companies are only now getting in their peace-time stride. For this reason the year's showing should be very satisfactory to the shareholders, who, with a continuance of conservative management, may look for even better things in the future.

From this year's profits, dividends amounting to $140,000 were paid, and the remainder was carried forward, making the total to the credit of profit and loss account, $854,040, as compared with only $47,580 two years ago, and a net deficit of $204,009 three years ago.

Amounts under the heading, "Investments in other companies" continue to increase, and are now $4,218,819, an increase of about $500,000 over last year and nearly $3,000,000 over two years ago. All these subsidiaries all report good results for their year, and the Willys-Overland, as reported in another column of this issue of THE FINANCIAL POST, will shortly be turning out fifteen cars a day. Cash on hand has dropped to $183, as compared with $175,461 a year ago, but this drop is offset by the increase in Victory Bond holdings, from $321,947 last year to $556,079 this year. Stock on hand also shows an increase from $144,966 to $208,879. Total assets have increased from $4,971,143 to $5,311,554.

On the liabilities side there are also improvements. Bankers' advances were reduced from $325,000 to $184,229, but accounts payable rose from $1,014,600 to $1,073,717.

More Claims To Be Paid

Lloyd Harris, president, and T. A. Russell, vice-president and general manager, in their report say:

"The beginning of our financial year," says the report, "saw all the resources and equipment of the company being utilized in the manufacture of munitions of war. The last half of our financial year has been devoted to reorganization and readjustment for a peace basis. Before the close of our next financial year the directors expect to have realized upon the balance of their unsettled munitions claims, and to be more fully organized for commercial work."

It is also stated that work on shells ceased thirty days after the armistice, and fuse work was continued until the end of January. The plant has been dismantled, and a portion of it turned to commercial work through the subsidiary company, Machine & Stamping Company, Limited. Adjustment of the shell contract claim has been made, but no final settlement has yet been reached on fuses. The subsidiary company, Canada Cycle & Motor Company, had a successful year's business in making bicycles, skates, etc., and paid a 6 per cent. dividend on September 1 last. The company is a shareholder in Willys-Overland, Limited, the plant of which is being turned to automobile work, and deliveries of Model 4 cars were expected this autumn. The American company, with a plant at Buffalo, made munitions on which the adjustment had not yet been completed in time for the present report. The Buffalo factory has now been sold. The other subsidiary, Machine & Stamping Company, Limited, makes motor car parts, gramophone motors, etc., and will shortly require additional capital, which will be provided from unsettled munitions contracts.

DUNLOP RUBBER

The Dunlop Rubber Company, Ltd., of England, will shortly organize a new company to operate in the United States. Thte capital will be £4,000,000 sterling. Important rubber estates in the Middle East will be acquired and large manufacturing interests in the United States will also be taken over.

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DOMINION OILCLOTH

The Dominion Oilcloth Company, of which John Baillie is president, will be reorganized and become the Dominion Oilcloth and Linoleum Company, with capitalization of $5,000,000. Extensions are planned in the company's output.

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J. H. Simpson, *Vice-President*
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Detroit, October Seventh, 1919

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NO "RUSH HOUR" TICKETS ALLOWED MONTREAL TRAMS.

New Principle Adopted in Fixing Higher Fares

HITS SHOPPERS

As Well as Workmen—"Peak" Load Must be Kept Down—7 Cents Cash—No Dividend in Sight

By Resident Representative.

MONTREAL.—In a decision of the Public Utilities Commission of Quebec Province, as handed down in the case of an appeal against the proposed increase in fares on Montreal Tramways System, a new principle for Canadian electric lines, in so far as the majority of cities are concerned, was adopted, namely, the abolition of the reduced fares for the so-called "rush" hours.

The Tramways Commission itself, in bringing in a new schedule of fares, did not venture on so drastic a step; it contented itself with raising the cash fare from 6 cents to 7 cents, and the regular ticket prices from 5 for 25 cents, to 4 for 25 cents. The "rush" hour or workmen's tickets as they are generally termed, were raised from 6 for 25 cents, to 5 for 25 cents, an increase, it is true, but less than the regular fares.

But the court in the city's appeal wiped these out, going further in this respect than any party to the case had asked. Henceforth there are no "rush" hour tickets in Montreal, workmen and shoppers alike can get only 4 tickets for 25 cents, or 6¼ cents.

But, once again, the Utilities Commission struck out on new lines: it established a special rate of 44 tickets for $2.50, or a shade under 6 cents each.

Reason For Abolition

The reason given for abolishing the "rush" hour fares was provided by an expert from Chicago, James B. Bibbins, who pointed out that it was in the early morning hours and between 5 and 6.30 or so that the "peak" load was the highest, and the more this was increased the greater the cost of operation. He urged that the peak of traffic should be lessened as much as possible, hence that there should be no special incentive provided for crowding the cars during these periods. Hence the evil of reduced fares during these hours. The Commission thus declares for an equality as between all users of the cars; the abolition of class distinctions.

Effect of Increase

Some interesting figures have been secured by the FINANCIAL POST, showing the respective estimates made by the Tramways Commission, and the Public Utilities Commission on the proceeds of these increased fares. Although the Utilities Commission abolished the "rush" hour fares, it estimates that the company will actually receive $300,000 less altogether than the Tramways Commission had figured on from its own scale, with reduced rush hour tickets permitted. This, it is understood, is explained by the fact that in allowing for the purchase of 44 tickets for $2.50 the Utilities Commission figured that the great majority of passengers would use these, and the saving in fares in this way, as compared with the Tramways Commission's price of 4 for 25 cents, or 6¼ cents, would more than compensate for the much smaller number who would have saved by "rush" hour tickets at 5 cents each.

The Tramways' Commission's estimate was as follows:

8,000,000 pass. at 7c each	$ 560,000
133,000,000 at 6¾c	8,312,500
43,700,000 at 5c (rush) ..	2,185,000
4,750,000 at 3 4-7c (children)	169,642
550,000 at 15c "owl"	82,500
190,000,000	11,309,642
5,000,000 outside	200,000
Extras	170,000
Total	$11,679,642

The Utilities Commission estimated that at least 125,000,000 people would ride on the 44 for $2.50 rate.

The judgment in treating of the deficit of $1,364,111, reads as follows:

"We have now to consider what has to be done in respect of the deficit of $1,364,111.74, the details of which will be found on page 17 of the Tramways Commission's Report. At first view this deficit appears to be quite startling, but an examination as to how it is composed is not without some consolation. We find that of the total amount no less a sum than $692,694.05 is made up of accrued and unpaid rental to the City of Montreal, provided for in paragraph 92-4 of the contract, and the further sum of $115,722.01 represents the amount which should have gone into the reserve fund since the contract came into operation, and did not.

We do not wish it to be inferred for one moment that these two sums are to be regarded as other than a deficit under the contract, but there is a vast difference between the total amount of the deficit and the sum in which the cost of operation and of maintenance and renewals, also the return upon the fixed capital invested has fallen short, namely, in the sum of $5555,595.59 by which these three items have been exceeded.

In other words, if the city was able to and did forego what is called its rental, and there were no reserve fund, the actual deficit would be approximately $550,000.

No mention is made as to dividends on the common stock, and it may be taken for granted it is still a long way off.

HALIFAX SHIPYARDS NOW A BIG INDUSTRY

Transforming Lake Manitoba to Iver Heath an Example of What Company Can Do

By Special Representative

HALIFAX.—The completion of the rebuilding of the steamer Lake Manitoba and her transformation into the steamer Iver Heath at the Halifax Shipyards marks the first stage in the progress of the shipbuilding company that has been established at this port. Halifax Shipyards, Limited, has shown what it can do in this piece of work. The steamship, which came here a mass of tangled wreckage, was rebuilt and now has sailed, as good as the day she was launched, and with the certainty of having all the freight she can carry. From Halifax she went to Philadelphia to take on a cargo for Europe. Halifax Shipyards, Limited, is now the biggest single industry in this city with a staff of workmen at present of 1,200, and a weekly pay-roll of more than $37,000. The keels of four steamers, aggregating 37,000 tons, have been laid, the first of which is to be launched in the spring. Two of the craft are each 10,000 tons. A noticeable thing about this plant is the good feeling that seems to exist between the men and the management. General Manager J. E. McLurg treats the employees with happy consideration and he appears to be getting his reward in willing and loyal service. A spirit of ambition and self-improvement is sought to be created and welfare is one of the factors of employment. A monthly publication is issued at the plant in the interest of the hands and staff generally, which would be a credit to some professional journalists.

SUPERIOR CORPORATION

Book Value of Stock is Above the Quotations

Although Lake Superior Corporation is not traded locally, there are fairly large holding of it here, and the works at the Soo are of great interest and concern, supplying as they do a great deal of material to Canadian manufacturers. Philadelphia, where most of the trading is done, reports as follows:

If consideration be given to values in addition to cost prices at which Lake Superior properties are carried on the books, assets behind the stock are much in excess of its present quotation of $20 a share. Ability to utilize the large body of siderate ore, estimated by engineers at 100 millions tons, in the manufacture of steel, places a value on its mineral lands far beyond what was believed possible a few years ago, increasing their value several milions. The company has treated this ore for its own consumption at the rate of 500 tons a day, mixing it with other ores, and with increased capacity, it is proposed to use as much as 1,500 tons a day, or 60 per cent. of ore requirements.

The company's coal lands in Western Virginia, estimated by experts to contain 70 million tons, are believed to be worth at least $5,000,000, though they are set down in the balance sheet at about $1,800,000, being the properties of the Lake Superior Coal and Cannelton Coal and Coke.

Aggregation outstanding funded debt of the corporation and subsidiary, for which it is liable, is approximately $44,000,000. Net book value of Algoma Steel, of $52,800,000 appears justified. Adding this, the $1,200,000 current assets of the Lake Superior Corporation, there would be $10,000,000 over the $44,000,000 funded obligations, or $25 a share on the 400,000 shares of Lake Superior Corporation, without considering the value of the coal lands and siderate coal mines and railways. These should add from $10 to $15 a share.

NOVA SCOTIA STEEL

Scotia common has had only one sale for some time past to act as an indication of its market strength, and that sale was put over at 78 for a small block. That showed a gain of three points from the previous sale. It looks as though any decline in Scotia had been halted. For a time it ran up near par, and fell away. There is always the danger of a reaction when a security strikes a peak suddenly, but Scotia came down gradually and is holding between 75 and 80. Preferred also shows strength, a small block being disposed of at 105.

TUCKETT TOBACCO

Tuckett Tobacco common was one of the few stocks registering a decline during the week, the net loss being about 5 points from the close last week.

DULUTH-SUPERIOR

For the first week of October gross earnings of the Duluth-Superior Traction Company totalled $37,013, as compared with $31,215 for the corresponding period in the previous year, an increase of $5,798 or 18.6 per cent. For the year to date the earnings were $1,461,994, an increase of $168,728 or 13 per cent.

DEBENTURE ISSUE FOR ACADIA SUGAR

Bonus of Stock Will be a Factor in Effort to Raise $3,000,000

HALIFAX.—The proposal of the Acadia Sugar Refining Company of this city to make an issue of three million dollars of seven per cent. debentures has aroused but little comment. The proposed issue of 22,500 shares of five dollar ordinary and preference stock comes at the same time. The stock, no doubt, is intended as a bonus to those who buy the debentures. This is a radical departure from the conservative policy of this old Halifax company, but is doubtless a wise move and has, no doubt, been thoroughly thought out by the directors. The company has had a hard time since the year when the war broke out. At that time they built a big new refinery and trusted to be able to pay for it out of current account and profits that for a long time had been large and which then it seemed would continue so.

This was the idea of the late Wylie Smith, who opposed the issue of bonds. His policy proved to have been wrong. The war came on and losses were made so that there were no funds to pay for the new plant and heavy loans had to be made from the bank. Things went from bad to worse till serious proposals were made to dispose of the property and the shares at one time considered gilt-edge, became unsaleable. But a brighter day has again dawned and the company's business has become so satisfactory that the directors feel confident enough to propose the offering of a $3,000,000 issue of debentures at a rate of 7 per cent. interest. The extra inducement of a bonus of ordinary and preference shares will be given. The business done is considered to be so good as to warrant an investment of this kind which would put the company on a financial footing of comparative ease and enable it to go on to still better things.

The plant has been working to capacity for a long time and the last few months are showing most satisfactory returns. The directors will probably make a full statement at the meeting that has been called for October 28 to consider the proposal and show the advantage of such an investment from the points of view of the company and investor's own profit. In the meantime, all that will be done will be to call the meeting, but directors say privately that the business of the company has become all that could be desired except that it needs the funds that would be at the disposal of the institution by the sale of these debentures.

STEEL OF CANADA

Steel of Canada dropped a couple of points during the week just to show what a fickle thing the stock pulse is. The fact is that conditions are better at the Hamilton plant now from a production standpoint than they have been for some time past. Steel, common, even at the present price of 72½, is a good investment on a six per cent. basis, showing earnings equal to about 8.27. Preferred, which is a 7 per cent. cumulative participating, stays consistently at between 99 and 100. For the last six months it has varied hardly at all from these figures.

UNLISTED SECURITIES

Stocks	Bid	Asked
Alta.-Pac. Grain, com.	128	132
Do., pref.	87	89
Belding-Paul, com.	40	45
Do., pref.	88	95
British American Ass.	9	12½
Can. Machinery, com.	20	25
Do., pref.	48	53
Can. Westinghouse	115	125
Canadian Oil, com.	45	50
Do., pref.	95	100
Carter Crume, pref.	65	72
Can. Marconi	3	4
Can. Mortgage	67	72
Cockshutt Plow, pref.	80	88
Collingwood Ship., com.	33	39
Dominion Fire	30	..
Dom. Power & Trans., com.	47	55
Dunlop Tire, pref.	95	99
Home Bank	94	98
Massey-Harris	102	114
Page-Hersey, pref.	74	...
Toronto Carpet	98	...
King Edward Hotel, com.	57	64
Loew's, Toronto, com.	140	145
Wm. Neilson, com.	54	65
Sterling Coal, com.	15	17
Sterling Bank	103	110
Trust & Guarantee	79	82
United Cigars of Can., pf.	1¾	2¼
Western Assurance	11	14
Whalen Pulp & Paper, com.	25	30
Volcanic Oil & Gas	80	88
Bonds—		
American Sales Book, 6s	90	94
Algoma Steel Corp., 5s	55	65
P. Burns, 1924, 5s	100	103
P. Burns, 1931, 5s	96	99
Can. Machinery, 6s	79	82
Collingwood Shipb'ding, 6s	85	90
Eastern Car, 5s	92	95
Mex. Northern Power, 5s	13	15
Morrow Screw, 5s	88	92
N. S. Steel Dbs., 6s	87	93
Ontario Pulp, 6s	101½	..
Porto Rico, 5s	82	85
Sterling Coal, 6s	73	76
Stone, Limited, 6s	94	98
Toronto Power, 5s	90	96
Tor. & York Radial, 5s	97	99
Toronto Paper, 6s	86	92
West. Can. Power, 5s	54	59

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Res. Liab. of Proprietors....£5,000,000
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MINING MARKET'S WEAKNESS DUE TO LABOR TROUBLES

Other Factors Are Reaction From Speculation and Pessimism

WAR ON BOLSHEVISM

Teck-Hughes Mine Refuses to Recognize Socialistic Influences and Will Reward Honest, Loyal Workers

While strength has been the dominant feature of stock markets in Toronto, Montreal, New York, and on the New York Curb, the mining market in Toronto has been listless and dull. So far it has failed absolutely to respond to the increase in silver prices and to the settlement of the labor strikes that stopped production in the Cobalt area for six weeks and in the Kirkland Lake area for nearly three months. Hollinger, Dome and McIntyre, among the gold mines, are all producing; in Cobalt area, Nipissing, Buffalo, Trethewey, O'Brien, Hudson Bay, have made shipments of silver ore since the strike ended, and in the Kirkland Lake district, the Lake Shore, Kirkland Lake and Teck-Hughes mines are all under way again. Despite this activity the stocks have not re-acted towards higher levels.

Undoubtedly labor is the chief trouble of the mining companies today, and the impossibility of attaining peak production under present labor conditions goes a long way to explaining why mining stocks lack their usual popularity. The strikes are over, but labor troubles are not. It is in the Timmins area, that the shortage of labor is felt the most. Hollinger has only 100 stamps working, and is at least 800 men short in its staff. If the additional men could be had Hollinger could easily keep 200 stamps at work. Dome and McIntyre are in somewhat similar predicaments. The Kirkland Lake mines state that they have plenty of men available, but of course their workings are smaller and in some of them 20 to 30 men are sufficient to keep production up to the limit.

Declares War on "Reds"

Evidence of the troubles the mine managers face is contained in a statement issued by D. H. L. Forbes, of Teck-Hughes, explaining his company's position in the Kirkland Lake strike. The document brands the strike as illegal and engineered by socialistic influences that do not represent the real workers in the territory. He declares war against the "Red" element in a paragraph that reads:

"The clique of socialists are endeavoring to dissuade men from working there and by the usual device of placing pickets at the railway station and along the road to Kirkland Lake, are trying to prevent men that we engaged at other places from coming in to work by calling them 'strike breakers.' Our answer to this is that the men we are engaging are now our real employees, who will have permanent employment in this district, and the socialists, by their unfair tactics and greedy scheme to create a monopoly of labor here, have forfeited any right they may ever have had to be considered as our workmen. To any of our former employees who may wish to return to work, we say 'the door is still open and you may disregard the loose talk and propaganda of the socialists with whom we will have no further dealings whatever.'

"Our fight is not, nor has it ever been, with unionism, as the term is now generally understood. On the contrary, we want to give our workmen an opportunity to co-operate with us in the upbuilding of the mining industry of this district. We have, however, taken a decided stand against the rabid type of socialism which has been preached by certain members of the community here, and as patriotic Canadians are not going to have this poisonous social weed to grow in our midst. We, therefore, bespeak the support and influence of all those in the North country who feel as we do in this matter in counteracting any propaganda which may be set at work by the radical socialists."

Too Many Margins

Other observers state that marginal trading on an unlimited scale, as it has been carried on in the past, has made careful investors shun the mining issues, and they give this as the reason for the inactivity of the market at present. There are several brokerage houses in Toronto specializing in mining issues that do not allow marginal trading on their books, and the brokers that have specialized on this class of operations in the past are now tightening up on their restrictions, in order to avoid the unlimited gambling that has prevailed.

There are also those who declare that the Cobalt mining field has seen its best days and will never again figure as a great producing area. But the optimists are not going to accept such a calamitous view until they have seen the undeveloped properties really tested out in a broad way and the present properties worked with a full staff of men.

MINING STOCK QUOTATIONS
Week Ending, Oct. 15.

	High	Low	Close	Sales
Adanac	12	10½	10¾	65,000
Apex	3	3	3	1,400
Atlas	25¾	25½	25½	18,800
Bailey	4½	4¼	4¼	1,000
Beaver	39	38¾	38¾	10,200
Coniagas	2.90	..	..	60
Crown Reserve	37	33½	36	11,600
Dome Ext.	35	34	34	32,100
Dome Lake	15	14½	15	2,500
Dome Mines	15 00	14.50	15.50	625
Foster	4½	....	....	1,000
Gifford	1⅞	1¾	1¾	10,500
Great Nrthn.	4¼	3⅞	3⅞	8,000
Davidson	78	71	78	12,800
Hargraves	3	2⅞	3	1,500
Hollinger	6.97	6.90	6.97	2,105
Keora	18½	18	18	19,000
Kirk. Lake	39	38	38¼	12,900
Lake Shore	1.08	1.06	1.06	7,100
La Rose	40	..	...	1,000
Gold Reef	4¼	4	4⅛	20,000
McKin. Darr.	73	70	70	4,300
McIntyre	2.00	1.95	1.98	15,400
Moneta	14	13¼	14	11,900
Newray	14	..	..	1,200
Nipissing	12.00	11.65	11.70	560
Mining Corp.	1.75	1.70	1.70	2,400
Ophir	5⅜	5	5⅜	8,000
Peterson Lake	12¼	..	..	7,800
Porc. Imperial	1¾	1¾	1½	3,000
Porc. Crown	28¼	25¼	28¼	35,700
Porc. Tisdale	2¼	2	2	13,600
West Dome	11½	10¾	11	5,600
Schumacher	26	25	25	5,700
Teck-Hughes	21½	20	21	10,815
Thom-Krist	8	7¼	8	2,500
Trethewey	34	31	31	33,500
Wasapika	1.03	1.01	1.02	13,800
Temiskaming	44	42½	42½	17,900
P.V.N.T.	20½	20	20½	4,000

CONSOLIDATED MINING

The Sullivan mines of the Consolidated Mining and Smelting Company have been tied up by the strike of the Kimberley miners, who went out in the third week in September for an increase of wages. The North Star Mine at Kimberley, B.C., was also affected by the strike.

AMERICAN MINERAL PRODUCERS ASK HELP

Claim 75% of Their Number Cut Off From Government Relief

Most important of all the items on the programme for the American Mining Congress to be held in St. Louis next month is the discussion of the United States Government's application of the War Minerals Relief Bill, which the mining men declare is being operated in such a way as to deprive 75 per cent. of the claimants for relief under the act of any measure of help. The call issued by the executive committee in charge of the Mining Congress outlines the situation:

"Since the passage of the so-called relief bill, which provided for the payment of $8,500,000 to mineral producers who suffered losses by responding to the national call for war materials, the Attorney-General of the United States has handed down an interpretation of the measure, the terms of which have been so constructed as to practically eliminate 75 per cent. of the claimants who laid their cases before the Government.

"The delay in making operative the War Minerals Bill prevented the Bureau of Mines from carrying out a well-organized program of Government encouragement; made impossible the completion of agreements and encouragement promised to the war minerals producers by the agents of the Government, and, eventually, through the signing of the armistice, resulted in such a chaotic condition through the failure of the various Government war agencies to co-ordinate their efforts that the men who sacrificed time and fortunes in responding to the Government's appeal, found themselves facing an unfortunate condition of collapse and failure for which the Government disclaimed any responsibility."

Stock Movements of the Week

Week ending October 16, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield Oct. 8 to
Banks—							
Commerce	199	198	198⅜	198	198	92	6.06
Dominion	205¾	205	205¾	205¾	205¾	100	5.94
Hamilton	195½	194	195½	193	195	116	6.31
Hochelaga	...	...	158	158	158	81	6.00
Imperial	199½	199	199½	199½	199½	41	6.00
Merchants	191	...	195	194	194	18	5.67
Montreal	...	...	210⅞	210	210½	114	5.71
Nova Scotia	273	...	273	272	273	32	5.88
Royal	215	...	215¼	214	215	184	5.58
Standard	...	...	214	214	214	67	6.07
Toronto	...	196½	197⅛	197	197	55	6.09
Union	...	163	162¼	162	162	90	6.21
Transportation—							
Barcelona	9¾	9½	9¾	9¾	9¾	10	....
Brazilian	53	52¼	54	52	52½	3306	....
Can. Steamships, com.	68½	67¼	69¾	66½	67¾	2505	6.15
Do., pref.	86	85¾	87¼	84¼	86	6386	8.33
Detroit United	98	97¾	98	98	98	240	8.16
Duluth-Superior	...	31½	32	32	32	10	7.14
Ill. Traction, pref.	...	...	73	73	73	5	8.45
Quebec Railway	24	23⅞	24¼	21	24¼	3409	....
Toronto Railway	42	41¾	41	41	41	2	....
Twin City	46	45¾	45⅞	45	45⅞	70	....
Winnipeg Elec.	40	37¾	40	38	38	27	....
Telegraph, Light, Power—							
Bell Telephone	118½	117	118½	118	118	67	6.72
Consumers' Gas	140	136	141	138	138	99	7.04
Mackay, com.	80	78	80	79½	79½	211	7,40
Do., pref.	67⅛	66⅛	66¼	66¼	66¼	75	6.06
Mont. L. H. & P. Cons	91	90¾	91	90	90¼	2937	5.55
Ottawa Light, Heat	...	...	85	84	85	110	7.22
Shawinigan	123½	123¼	123⅝	122	123⅝	1265	5.69
Industrials—							
Abitibi P. & P., com.	135	134⅞	140	135	135⅞	490	4.19
Ames-Holden, com.	100	98½	100¼	99	100	1450	....
Do., pref.	111½	110	111½	111	111	295	6.36
B.C. Fish, com.	63	62⅝	63	62¼	62¾	450	8.06
Brompton P. & P., com	75	73½	73	69½	72½	6875	7.14
F. W. Burt, com.	110	108	110	110	110	33	7.61
Do., pref.	110	108	110⅛	109	110	216	7.00
Can. Bread., com.	25¼	25	25⅞	24⅞	25	255	....
Do., pref.	81	80½	81	81	81	50	8.97
Can. Car., com.	50½	49¾	50¼	49½	49¾	1665	....
Do., pref.	101	99½	100	99	99	240	7.00
Can Cement, com.	71	70¾	71	70¼	70¼	1010	8.57
Do., pref.	101	100	101	100	100	260	7.00
Can. Converters	69½	...	69½	68½	69	215	7.24
Can. Cottons, pref.	83	...	83	82	83	6	7.40
Can. Fdy. & Forgs., c.	...	...	193	190	190	230	6.21
Can. Loco., com.	101	99	102½	100	100	470	5.76
Do., pref.	100	94	94	94	94	6	7.52
Can. Gen. Elec., com.	113	112	112	108	111	699	7.33
Carriage Fac., com.	87	...	27½	27	27	100	....
Do., pref.	65	64	67	67	67	25	....
City Dairy, pref.	93	91	91¼	91¼	91¼	10	7.69
Dom. Bridge	111¾	111	112	111¾	112	450	7.27
Dom. Canners, com.	...	56¼	56¼	52	56¼	605	....
Dom. Steel Corp.	70⅛	69¾	71½	69⅛	70	12591	8.69
Dom. Iron & Stl,. pre.	...	...	97	96	96	38	7.36
Dom. Textile, com.	...	121	123½	121	121	540	6.61
Lake of Woods, com.	218	...	215¼	215	215¼	195	5.47
Do., pref.	110	...	108	108	108	12	6.36
Laurentide	233	232½	232¾	228	232½	2850	5.26
Lyall Con., com.	134¾	134	135	129½	135	1490	6.66
A. MacDonald, com.	34¾	34½	35	34½	35	435	....
Maple Leaf Mill., prf.	105	104	104⅛	104	104	20	6.73
Mont. Cottons, com.	...	83⅛	82	82	82	445	6.84
Monarch Knit., pref.	90	...	90	89	89	28	7.77
Nat. Steel Car, com.	10½	9½	11	9¾	11	190	....
Do., pref.	...	39½	42	35½	42	188	....
N.S. Steel, pref.	..	...	105	105	105	5	7.61
Ogilvie Flour, com.	...	242	242	242	242	130	4.95
Do., pref.	...	...	109	109	109	11	6.36
Ont. Stock Prod., com.	38	37	38	37	37	85	....
Pacific Burt, com.	36	35	36	35	36	75	6.06
Penmans, com.	...	...	109	109	109	71	5.45
Do., pref.	...	...	93½	93½	93½	10	6.12
Riordon Pulp, com.	151	150½	151⅛	149	151	1237	6.71
Do., pref.	...	...	98	98	98	98	7.14
A. Rogers, com.	70	65	66	56	56	75	....
Russell Motor, com.	95	94½	97	90	95	165	8.23
Do., pref.	95	94½	97¾	94½	94¾	365	7.36
Sawyer-Massey,, com.	20	15	16	16	16	10	....
Shredded Wheat, com.	141	136	140	140	140	10	5.97
Smith Paper, com.	145	140	145	109	140	1045	....
Spanish River, com.	68⅛	67½	69¾	57	68	19342	....
Do., pref.	115½	114	115½	113	114	4689	....
Steel of Can., com.	72⅞	72½	74¼	72	72¾	3371	8.00
Do., pref.	99¾	99¼	100	99	99½	173	7.00
St. Law. Flour, com.	121	118	118	117	118	145	5.00
Tooke Bros., com.	70	...	70	70	70	5	....
Do., pref.	...	...	91	91	91	10	7.69
Toronto Paper	138	137	137	95	137	120	6.52
Tuckett Tobacco, com.	58½	57½	60¼	49¼	58	2519	....
Do., pref.	...	...	90	90	90	15	7.77
Wabasso Cotton	...	...	107	107	107	50	7.61
Wayagamack, com.	74¾	74	75	68¼	74⅞	6025	....
Woods Mfg., com.	103	100½	101	98	101	175	7.14
Atlantic Sugar, pref.	115	...	115	114½	115	145	....
Do., com.	64	63½	64½	63¼	63⅜	1832	....
Dom. Glass, com.	67	66½	67	66½	67	750	....
Do., pref.	...	...	94	94	94	10	....
Nat. Breweries, com.	183½	182¾	183	181	183	475	....

THE FINEST QUALITY PIPE TOBACCO, THIRTY CENTS PER PACKAGE

GEO. O. MERSON & COMPANY
CHARTERED ACCOUNTANTS
FIDUCIARY AND FINANCIAL ACCOUNTING
LUMSDEN BUILDING
TORONTO

BUSINESS INSURANCE
Business insurance is just as important as fire insurance. Loss by fire is a possibility while loss by death of the men who run the business is a certainty.
The ready cash from a Business Insurance Policy in the Canada Life at such a time will readjust matters and carry on the business as nothing else can do. Ask for particulars.
CANADA LIFE ASSURANCE COMPANY
HOME OFFICE TORONTO

We've been trying to tell you all along what we mean by "Office Specialty" service: how extensive in scope it is—how sincere in spirit and tangible in results we strive to make it.
—we've offered the benefit of 30 years' experience in the Filing System business to help you and your staff surmount the difficulties that depleted forces are imposing upon you.
And now we want to reiterate: If there's any problem of office system confronting you—if you're trying to handle increased work with reduced staffs—let's work with you for a common purpose. If we can help—fine! if our plan or suggestions don't jibe—all right, and no damages. But let us try.
This service is rendered free. We're sufficiently open-minded to believe that business comes where service starts.
Ten Stores—all ready to serve you
Toronto Montreal Ottawa Halifax Hamilton Winnipeg Regina Edmonton Calgary Vancouver
THE OFFICE SPECIALTY MFG. CO., LIMITED
Home Office NEWMARKET Canada
OFFICE SPECIALTY FILING SYSTEMS
937

The Consumers Gas Co. of Toronto

NOTICE OF ANNUAL MEETING.

THE annual general meeting of the Shareholders of the Consumers' Gas Company of Toronto, to receive the report of the Directors, and for the election of the Directors for the ensuing year, will be held in the Company's Board Room, 17 Toronto Street, Monday, the 27th day of October, 1919, at 12.00 o'clock noon.

ARTHUR HEWITT,
General Manager.

AUTUMN IN ALGONQUIN PARK

Algonquin Park is situated 200 miles north of Toronto, and 170 miles west of Ottawa. Average elevation, about 1,500 feet above sea level, at some points 2,000 feet. Area, over two million acres. It is one of the largest, the wildest, and most interesting forest reserves in autumn, winter or summer accessible to the people of Eastern Canada. The Highland Inn, equipped with modern plumbing, large bright sleeping rooms, cosy lounging rooms, a spacious rotunda and dining room, thoroughly modern in every particular, is owned and operated by the Grand Trunk Railway and will be kept open for the reception of guests this autumn and the coming winter. It is steam heated. There is a writing room, music room and billiard room. The cuisine is given personal supervision and patrons can depend upon satisfactory service. Rooms should be reserved in advance as accommodation is limited. No cases of tuberculosis received. Autumn attractions: fishing, tennis, bowling on the green, etc. Winter attractions: tobogganing, snowshoeing, ski-ing and skating. For reservations, rates and all particulars write to N. T. Clarke, manager, Algonquin Park Station, Ontario.

P. Lyall & Sons Construction Company, Limited
Toronto - Montreal - Ottawa

MONEY BANKING AND EXCHANGE

TOTAL CLEARINGS FOR THE WEEK SHOW INCREASE

One City in the East and Three in West Show Decline

GAIN FOR WEEK 23.7%

Eastern Cities Show Gain of 31.5%—Western Cities Gain 9.2%—Windsor Shows Largest Percentage Gain

Bank clearing returns in Eastern Canada for the week ending October 16, totalled $226,756,189, as compared with $172,396,749 for the corresponding period in the previous year, an increase of 31.5 per cent. Peterborough is the only city in the East to show a falling off. Windsor reports a gain of 97.5 per cent., while Kitchener also shows a substantial gain of 89.8 per cent. Toronto's total is higher by $18,842,965, or 33.8 per cent., while Montreal shows an increase of $25,851,290, or 28.7 per cent.

Western cities show a total for the week of $101,600,421, a gain of $8,566,679, or 9.2 per cent., with Moose Jaw, Lethbridge and Medicine Hat the only cities showing lower returns. Edmonton shows the largest percentage gain in the West at 74.7 per cent., with Prince Albert next showing a gain of 36 per cent. Winnipeg shows an increase of 3.6 per cent.

The total for the twenty-six cities reporting is $328,356,610, an increase of 23.7 per cent. Comparative figures follow:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities	Oct 16.1919	Change	%
Montreal	$ 115,787,760 +	$ 25,851,290	28.7
Toronto	74,502,421 +	18,842,965	33.8
Ottawa	8,749,630 +	2,807,944	47.2
Hamilton	5,540,439 +	917,484	19.8
Quebec	5,593,117 +	1,561,836	38.7
Halifax	5,023,474 +	1,205,897	31.5
London	2,862,996 +	595,759	26.2
St. John	2,526,382 +	420,425	19.9
Brantford	1,170,812 +	335,117	40.1
Peterboro	756,252 —	111,033	12.8
Sherbrooke	992,501 +	347,662	53.9
Kitchener	1,001,216 +	473,769	89.8
Windsor	2,249,189 +	1,110,325	97.5
Total, East	$ 226,756,189 +	$ 54,359,440	31.5

Western Cities	Oct. 16,1919	Change	%
Winnipeg	$ 59,913,349 +	$ 2,065,660	3.6
Vancouver	12,386,553 +	1,897,776	18.1
Calgary	8,589,528 +	1,735,078	25.3
Edmonton	5,527,488 +	2,363,728	74.7
Victoria	2,478,029 +	234,417	10.4
Regina	5,428,423 +	121,109	2.2
Saskatoon	2,264,922 +	147,051	6.9
Moose Jaw	1,887,002 —	145,607	7.1
Ft. William	878,465 +	76,177	9.4
Lethbridge	710,403 —	103,864	12.7
N. Westminster	543,664 +	64,121	13.3
Medicine Hat	552,784 —	5,515	.9
Prince Albert	439,811 +	116,548	36.0
Total West	$ 101,600,421 +	$ 8,566,679	9.2
Grand total	$ 328,356,610 +	$ 62,926,119	23.7
Yr. to date	$11,646,047,724 +	$1,727,856,301	17.4

IMPERIAL

Stanley Lewis, of east end branch of the Imperial Bank at London, has been transferred to Essex.

A new branch of the Imperial Bank has been opened in Sandwich with E. B. Reynolds as manager. Mr. Reynolds has been accountant at the Windsor branch for the past seven or eight years.

STANDARD

The Standard Bank of Canada announces the opening of two new branches in Alberta, one at Onaway and the other at Hussar.

TORONTO

The Bank of Toronto has opened a branch at Fort William, Ont., under the management of J. C. Wolfraim.

The Bank of Toronto has opened a sub-office from their Glenavon branch at a townsite in the Graytown district on the new C. N. R. branch, Lampman-Peebles branch.

DOMINION

A branch of the Dominion Bank was opened at Summerland, B.C., on the 10th inst.

A new branch of the Dominion Bank will be erected in the near future on the east side of Yonge, near Hayden street, Toronto.

MONTREAL

The following changes have been made in managers at bank of Montreal branches:

Balcarres, Sask., R. Bray, manager at Punnichy, appointed manager at Balcarres; Dauphin, Man., G. H. Crimes, appointed acting manager at Dauphin; Ituna, Sask., F. A. Pain appointed acting manager at Ituna; Kimberley, B.C., P. St. A. Shaw appointed acting manager at Kimberley; Langley Prairie, B.C., J. McD. Reid appointed acting manager at Langley Prairie; Port Alberni, B.C., V. C. Brimacombe appointed acting manager at Port Alberni; Punnichy, Sask., S. Crabtree appointed acting manager at Punnichy; Bloor street and Spadina avenue, Toronto, F. E. Fisher, manager at Tweed, appointed manager at Bloor and Spadina, Toronto; Tweed, Ont., A Yule, manager at Cainsville, appointed manager at Tweed.

ROYAL

L. E. McLellan, at present accountant of the Royal Bank of Canada at Sydney, has been appointed manager of the new branch of the bank which will be opened shortly at the corner of George and Townsend streets. Mr. McLellan will be succeeded as accountant by J. E. Cullen, now at Newcastle, N.B.

HAMILTON

The Bank of Hamilton has opened a branch at Eskbank, Sask., in charge of D. W. Campbell, and at Lake Valley, Sask., in charge of E. A. Morrison.

STERLING

The Sterling Bank has opened a branch at Port Rowan, Ont., and has also taken over the deposit business of C. S. Killmaster & Son. Killmasters were one of the few remaining private banking houses in the province.

UNION BANK

A branch was opened this week at Alcomdale, Alta., giving the Union Bank of Canada representation at 71 points in Alberta. It is announced that sub-branches at Duchess and North Edmonton, Alta., have been put upon an independent basis.

Three branches have been established in Manitoba—at Deepdale, which will be under supervision of the Roblin branch; at Margaret, to be under supervision of the Minto branch, and at Solsgirth, giving the bank representation at 72 points in the Province of Manitoba.

With this week's announcements the bank's chain of branches was brought up to a total of 381.

Dr. C. A. Holder, president of the Park-Union Foreign Banking Corporation, has sailed from New York for London and Paris.

Consequent upon its rapidly expanding system, the Union Bank of Canada announces the following staff changes:

To be managers—W. R. Brown, at Montreal (St. Catherine street); G. H. Campbell, at Ottawa (Bank street W.); G. B. Clarke, Caledon; J. A. Cuthbert, Orillia; D. Dewar, Kinburn; J. F. Freure, Roseneath; J. Gallagher, Englehart; H. L. Lee, Shelburne; D. M. McGregor, Wheatley; S. H. Neale, Campbellford; F. E. Page, New Dundee; H. R. Roach, Swalwell.

To be acting managers—J. H. Burford, LaPorte; C. A. Farrell, Dundalk; J. F. P. Gibb, Coleville; G. T. Gregory, Rimbey; A. J. Livingston, Winkler; H. H. McKinnon, Redland; R. B. Robinson, Piapot.

Accountant-in-charge—F. R. Fleming, Solsgirth, Man.

Accountant—J. C. G. Beauregard, Ottawa (Market St.); K. R. Bone, Shoal Lake; B. K. Bowen, St. Catharines, Ont.; G. W. Bush, Smith's Falls; D. W. Davis, Medicine Hat; G. M. Lucas, Guelph; E. McMillan, Alexandria; W. H. Neville, Carman; S. C. H. Pilling, Brandon; J. E. Schnick, Stirling; W. H. Stady, Fort Saskatchewan; L. Tosh, Yorkton; H. E. Wallace, Merrickville; G. D. Wright, Kerrobert.

Acting Accountant—T. E. Jones, Calgary; G. M. Waite, Toronto (1170 Yonge St.).

Teller-Accountant—W. H. Baker, Leduc; A. Coop, Solsgirth; F. G. Cope, Wainwright; G. A. Dummert, Pakenham; H. R. Ennis, Hillsburg; N. F. Fisher, Fenwick; T. W. Hall, Canfield; E. A. Harper, Sydenham; H. S. Ivey, Toronto (Pape and Danforth); R. Kee, Wiarton; W. G. McMorran, Clanwilliam; A. B. O'Connor, Warkworth; J. F. Pearch, Chauvin; H. Price-Jones, Rapid City; J. W. Puffer, Westport; H. C. Wilson, Swalwell.

MARKET MARKED BY BIG DEMAND FOR SPECIALTIES

Continued from page 1.

would seem to be evident that as yet the traders believe that the market has possibilities, although from the standpoint of the investor, a break sooner or later is regarded as inevitable. This opinion is expressed by Hayden, Stone & Co.:

While there has not been so wide a movement as there was in 1906 and 1916, the average of the industrials has reached a new high level. We do not believe this is the time to take a strongly bullish attitude. On the contrary, while not pretending to say that we are at the top, we cannot but advise against new commitments. If one has not already bought stocks, it seems to us too late to begin doing so. If he has stocks bought at much lower prices, he may, perhaps, take the risk of riding along with a part of them, but it is exceedingly inadvisable to take on a heavier load until we shall have had, at least, a very substantial reaction.

CHANGES DURING THE WEEK

	Last Oct. 9	Sale Oct. 16	Change
Ames-Holden, com	100	102	+ 2
Do., pref.	111	110¼	— ¾
Asbestos Corp., com.	75	74	— 1
F. N. Burt, com.	112	110	— 2
Do., pref.	108	110	+ 2
Can. Bread, com.	25	25⅛	+ ⅛
Do., pref.	*78	81	+ 3
Can. Cottons, pref.	81½	83	+ 1½
Can. Loco., com.	103½	100	— 3½
Can. Gen. Elec., com.	108½	112	+ 3½
Dom. Canners, com.	53	57½	+ 4½
Dom. Glass, com.	66¾	70	+ 3¼
Dom. Textile, com.	121½	123½	+ 2
Lake of Woods, com.	212	215¼	+ 3¼
Do., pref.	110	108	— 2
Montreal Cotton, com.	73½	83	+ 9½
Nat. Steel Car, com.	9	11	+ 2
Do., pref.	33	42	+ 9
Wm. Rogers, com.	*62	66	+ 4
Russell Motor, com.	88	97	+ 9
Shred. Wheat, com.	134	140	+ 6
St. Law. Flour, com.	119	118½	— ½
Tuckett Tobacco, com.	49⅛	58	+ 8⅞
Woods Mfg., com.	*98	107	+ 9
Atlantic Sugar, com.	64	71	+ 7
Abitibi Paper, com.	135	136	+ 1
Brompton Pulp	70½	73	+ 2½
H. Smith Paper, com.	109	136½	+27½
Laurentide Paper	228½	237	+ 8½
Riordon Pulp, com.	149¾	153	+ 3¼
Span. River, com.	57	68¼	+11¼
Do., pref.	113	115	+ 2
Toronto Paper	92¼	137	+44¾
Wayagamack	70	74	+ 4
Brazilian	54	52	— 2
Quebec Railway	21	24	+ 3
Winnipeg Rly.	40	38	— 2

*Last previous sale.

NEW YORK FUNDS MARKET WEAKENS ON LOAN BUYING

Announcement of United States Subscriptions to Victorys Helps Rate

STERLING STILL LOW

Pound Drops to $4.15 in New York on Friday, With Francs Also Reflecting the Downward Movement

Announcements of large United States subscriptions promised to the Victory Loan affected the market for New York funds this week and the rate moved down to around 3½ towards the close, the first real downward movement since the erratic movement of some weeks ago, shifted the rate to around 3 per cent. There is a possibility of the market weakening still further in the immediate future.

The danger to the American exporters seeking a market in Canada, through the exchange rates, was pointed out by F. L. Appleby, New York manager of the Union Bank, in an article in the New York "Sun." He stated that Canadians would prefer to trade in England where their exchange rates were more favorable than in the United States, and told American manufacturers that they must be prepared to accept the Canadian dollar at par. He stated, however, that lack of harmony between Canadian importers and exporters was in some measure the cause of the high premium on New York funds. Instead of pooling their efforts to effect a more or less steady rate of exchange, Canadian exporters were always pulling for a greater discount on the Canadian dollar, while the importing interests were pulling for a lower one, smaller one. This, of course, did not apply to Canadians alone, said Mr. Appleby.

Market Fluctuations

The fluctuations in New York funds for the week have been as follows:

Oct. 10.—Open 3⅞; sold up to 3 29-32 and 3 15-16, at which the market closed.

Oct. 11.—Opening at 3 29-32, the market remained steady all forenoon.

Oct. 14.—Nominal opening was 3 29-32 after the holiday, but funds sold down to 3⅞, 3 27-32, and at the close were 3 13-16 to the seller.

Oct. 15.—Opening was 3 25-32, which was not maintained; funds declining to 3¾, and rising for the close to 3 25-32.

Oct. 16.—Opening at 3¾ funds sold down to 3 11-16 to the seller and closed at 3⅝ offered.

Sterling and francs were both weaker, selling down to 4.15⅝ and 8.77 in New York on Friday. The market for the week changed as follows:

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
Oct. 10	4.18½	4.19¼	8.47	8.45
Oct. 11	4.19¾	4.20	8.55	8.50
Oct. 14	4.17¾	4.18½	8.69	8.67
Oct. 15.	4.17⅜	4.18	8.77	8.75
Oct. 16	4.16¼	4.17	8.75	8.73

ROYAL ANNIVERSARY

Half a Century Since Bank Opened Its Doors

To-day, October 18th, marks the fiftieth anniversary of the opening of the doors of the Royal Bank of Canada. The Royal is now one of the most powerful financial organizations in Canada with a record for growth which has been marked by particularly rapid development in recent years. It has large interests in Cuba and South America and has recently entered the European field. The total assets are now over $470,000,000, and there are a total of 615 branches.

BANK OF ENGLAND

London, Oct. 16.—The weekly statement of the Bank of England shows the following changes:

Total reserve increased	£ 656,000
Circulation decreased	701,000
Bullion decreased	44,322
Other securities increased	895,000
Public deposits decreased	925,000
Other deposits decreased	20,479,000
Notes reserve increased	701,000
Government securities dec.	22,885,000

The proportion of the bank's reserve to liability this week is 18.70 per cent.; last week it was 15.45 per cent.

Rate of discount, five per cent.

BANK STOCK CHANGES

	Last Oct. 9	Sale Oct. 16	Change
Commerce	198	198⅜	+ ⅜
Dominion	*202¼	205¾	+ 3½
Hamilton	190	195½	+ 5½
Hochelaga	150	158	+ 8
Imperial	200	199½	— ½
Merchants	194	194	....
Montreal	210	210	....
Nova Scotia	272	273	+ 1
Royal	215	215¼	+ ¼
Standard	214	214	....
Toronto	197	197	....
Union	162	162	....

*Last previous sale.

The general manager of the International Mercantile Marine at Southampton, England, state, that because of frequent shipyard strikes, holding up construction work and repairs, freight rates will be high for at least two years.

GRAIN SHIPMENTS

Twelve Million Bushels Shipped By Boat Last Month

Grain shipped from Port Arthur and Fort William during September exceeded by far the total amount shipped in September in both 1917 and 1918. Most of the grain is being shipped by boat, and in September 79 vessels carried grain from the head of the lakes to other ports on the Great Lakes. Comparative figures furnished by the Lake Shippers' Association are as follows:

	Bushels Wheat	Bushels Oats
Rail shipments—		
Sept., 1919	83,387	310,349
Boat Shipments—		
Sept., 1919	12,209,104	1,314,191
Total Boat and Rail—		
Sept., 1919	12,292,491	1,624,540
Sept., 1918	1,943,994	306,093
Sept., 1917	6,684,395	1,001,261

CAMROSE PAYS UP

For the first time since 1905 Camrose, Alberta, is without an overdraft at the bank. The receipt of bond money and the collection of taxes enabled the town to retire all its notes to the bank and there is a credit to the town's account. It is also stated from Camrose that considerable money is being collected on account of arrears of taxes and sales of forfeited lands.

The St. Lawrence Flour Mills Co., Limited

Balance Sheet, 31st August, 1919

LIABILITIES

Capital Stock—			
Preferred Shares authorized		$ 600,000.00	
Less un-issued		25,000.00	
		$ 575,000.00	
Common Shares		1,200,000.00	
			$1,775,000.00
Bonds—			
Six per cent. maturing 1st July, 1941		$ 300,000.00	
Less redeemed under Sinking Fund		69,500.00	
		$ 230,500.00	
Less purchased and held by Company		71,500.00	
		$ 159,000.00	
Add interest accr. to 31st Aug., 1919		1,590.00	
			160,590.00
Accounts payable		$ 22,644.02	
Sundry credits		243,504.82	
			266,148.84
Profit and Loss Account—			
Balance 31st August, 1918		$ 251,154.51	
Profits year to 31st August, 1919, after deducting Excess Profit Tax, 1918		245,594.05	
		$ 496,748.56	
Less interest on bonds	$ 14,235.00		
" dividends Pr. shares	40,250.00		
" dividends Cm. shares	120,000.00		
		$ 174,485.00	
			322,263.56
			$2,524,002.40

ASSETS

Real estate, buildings and machinery at cost		$ 539,966.30
Special account, property, goodwill, etc.		1,200,000.00
		$1,739,966.30
Open accounts and bills receivable after providing for bad and doubtful debts	$ 166,606.09	
Wheat and flour, bags and barrels	99,340.06	
Sundry debits	38,870.77	
Stables, plant, motors, etc.	16,000.00	
Victory Bonds and other investments	312,100.00	
Cash on hand and in bank	151,119.18	
		784,036.10
		$2,524,002.40

To the President and Directors,
The St. Lawrence Flour Mills Co., Ltd.,
Montreal.

Gentlemen:—

I have audited the books and accounts of The St. Lawrence Flour Mills Co., Ltd., for the year ending 31st August, 1919, and certify that the above statement is properly drawn up and shows a correct view of the Company's affairs for the year as shown by its books.

I have accepted the quantities and prices of your various inventories as certified by your superintendents.

Ample provision has been made for all bad and doubtful debts and other contingencies, and all my requirements, as auditor, have been complied with.

Respectfully yours,
A. SCOTT ROBERTSON, C.A.

Montreal, September 15th, 1919.

DIVIDEND NOTICE

The Merchants Bank of Canada

QUARTERLY DIVIDEND.

NOTICE is hereby given that a dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of November next, to shareholders of record at the close of busines on the 15th day of October.

By Order of the Board.
D. C. MACAROW,
General Manager.
Montreal, 30th September, 1919.

DIVIDEND NOTICE

Canada Tea Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of two per cent. (2%) has been declared on the Preference Stock of the Company, the same to be paid on November 1st, 1919, to shareholders of record October 15th, 1919.

By order of the Board.
C. J. SCANDRETT,
Secretary.

Oak Tire & Rubber Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent. (1½%) has been declared on the common shares for the quarter ending September 30, 1919, payable November 15, 1919, to shareholders of record at the close of business October 31, 1919.

By Order.
A. S. DICKSON,
Secretary.
Toronto, October 14, 1919.

THE Canadian Converters Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of One and One-quarter (1¼%) Per Cent. has been declared on the Capital Stock of this Company for the quarter ending 31st October, 1919, payable 15th November, 1919, to Shareholders of record at the close of business 31st October, 1919.

By Order of the Board
THOS. M. BARRINGTON,
Secretary-Treasurer.
Montreal, 10th October, 1919.

Barcelona Traction, Light & Power Co., Limited

(Incorporated under the Laws of Canada)

5 per cent. [now 5½ per cent.] first Mortgage Bonds.

Exchange of Coupons and 5 per cent. Notes for 5½ per cent. Income Bonds.

NOTICE IS HEREBY GIVEN that in accordance with the terms of the Reorganization approved at the Meeting of the holders of the 5 per cent. First Mortgage Bonds of the Company held on the 19th December, 1918, the Company is now prepared to issue and deliver at its Offices, 603 Dominion Bank Building, Toronto, Canada, the 5½ per cent. Income Bonds in exchange for the following:—

(1) Interim Certificates representing 5 per cent., 10-year Notes, which have already been issued in exchange for Coupons Nos. 6 to 13 inclusive of the 5 per cent. First Mortgage Bonds representing the half-yearly instalments of interest thereon from and including the 1st December, 1914, to 1st June, 1918.

(2) Coupons Nos. 6 to 13 inclusive attached to the above-mentioned Bonds which have not been so exchanged.

For the convenience of holders the above Interim Certificate and Coupons may be lodged at the Offices of the Canadian and General Finance Company, Limited, 603 Dominion Bank Building, Toronto, Canada, or 3 London Wall Buildings, London, E.C. 2, who will effect the exchange with the Company on behalf of holders. The 5½ per cent. Income Bonds deliverable in exchange for Interim Certificates and Coupons lodged in London with such Company will be collected from Canada on behalf of the holders, who will be notified as soon as the Bonds are received.

The Income Bonds before being assigned, transferred or in any manner negotiated in the United Kingdom, must be stamped with the English Revenue Stamp of 2s. for every £10.

The Canadian and General Finance Company, Limited, are willing to undertake the stamping of such Bonds with the English Revenue Stamp, provided the holder at the time of lodging the Interim Certificates and Coupons for exchange in Canada notifies the Company that he desires this to be done and pays the cost of the stamp.

Forms for listing and declaration of ownership can be obtained at any of the above addresses.

ENDORSEMENT OF 5 PER CENT. (NOW 5½ PER CENT.) FIRST MORTGAGE BONDS

Holders of the above Bonds who have not already done so, should, in accordance with the terms of Re-organization referred to, lodge their Bonds at any of the above addresses for the purpose of having endorsed thereon a memorandum thereof and of the Supplemental Trust Deed executed in accordance therewith.

Forms for lodging the Bonds can be obtained at any of the Offices named.

For BARCELONA TRACTION, LIGHT & POWER CO., LIMITED,
R. H. MERRY,
Secretary.
Toronto, Canada, 15th October, 1919.

The St. Lawrence Flour Mills Co., Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half (1½%) per cent. has been declared on the Common Shares of the Company for the quarter ending October 31st, payable on Saturday, November 1st to shareholders of record at close of business, October 18th.

By Order of the Board.
A. E. GAGNON,
Secretary.

The St. Lawrence Flour Mills Co., Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters (1¾%) per cent. has been declared on the Preferred Shares of the Company for the quarter ending October 31st, payable on Saturday, November 1st to shareholders of record at close of business, October 18th.

By Order of the Board.
A. E. GAGNON,
Secretary.

NEWS AND VIEWS FOR MANAGERS

WHY U.S.A. BANKS ALLOW INTEREST ON CHECK ACCTS.

Differences in Banking System Reason For Their Policy

KEEN COMPETITION

Canadian Banks Make Service Charge For Some Small Accounts, and Only Pay Interest on Large Balances

Do United States banking houses offer greater inducements to prospective customers than Canadian banks? Across the line it is not uncommon for banks to pay interest on current accounts; two or three per cent. on the average daily balance is the rule in practically all the larger cities in the United States. In Canada, banks will only pay interest on very large current accounts, and then only on the minimum monthly balance, while on small checking accounts where the number of checks issued during the month is disproportionate with the average balance kept, there is very often a "service fee."

This seeming advantage of American business men must be viewed however, in the light of the essential differences in American and Canadian banking systems. In the United States each bank is usually a self-contained unit, operating in only one locality. The American bank seldom has branch offices. It must stand or fall on the business transacted at one office. It cannot afford to spend a few years building up a good business as Canadian branches can, knowing that the whole resources of a gigantic institution, of which it is merely a small part, are behind it. It must do a good business from the start and to get the business coming their way the executives of American banking houses have to resort to means that would not be sanctioned by Canadian banks. Offering interest on current accounts is one of these methods. And then new banks coming into the field offer interest on their checking accounts, the older established banks must offer similar inducements to keep their customers.

No Savings Departments

Another reason why American banks pay interest on current accounts was pointed out by the Toronto agent of a New York bank. In the United States, banks fall in two main divisions, national banks and state banks. The national banks are usually the commercial banks in each locality, and it is not general for them to have savings departments. But though they do not open savings accounts, they are nevertheless anxious to secure as much working capital as possible and to induce their customers to keep a large balance with them, they pay from two to three per cent. interest on the average daily balance. The state banks are the ones that have the largest savings departments, and they, too, are in competition with the trust companies, which seem more active in the United States than in Canada in seeking savings deposits.

The national banks, it may be pointed out, are very partial to the deposits of Canadian banks, which keep large sums of money in the United States to look after American business. To get this additional working capital, American banks offer very attractive inducements to Canadian banks, paying a good rate of interest and giving exceptional facilities for the collections of bills, etc.

"We are not likely to adopt American methods in Canada," said a Toronto banking official. "Over there the competition is probably keener between the banks than in Canada, and they are forced to rather sensational methods at times to get the business. We cannot afford to pay interest on current accounts. We pay 2½ per cent. on the minimum monthly balance on large accounts averaging $30,000 and $40,000, but only on those with minimum balances of about $10,000, never on smaller balances. On accounts averaging a hundred dollars or so where there are about thirty checks a month we make a service charge of about 50 cents or $1 a month. The small checking account is a losing proposition to us unless we make this charge."

SCHOOL SAVINGS SYSTEM

A new plan of school savings is being tried out in the Lansing, Mich. schools this year. Instead of the teacher keeping the records of the weekly deposits of the children as in the past the teacher is this year agent for one-cent stamps furnished by the Capital National Bank, the depository of the school savings funds. These stamps are sold to children as they bring their savings to school. When one dollar's worth of the stamps have been placed upon a card this card is taken to the bank by the child and exchanged either for War Stamps or credited on a savings account books. This plan was worked out at a conference of teachers with H. D. Bennett, assistant cashier of the Capital National Bank, and Ingham County chairman of W. S. S. sales. The plan is a step in aid of the Government's thrift campaign, and makes unnecessary the detailed book work of the teacher, brings the child to the bank directly, and continues the features which have made the school savings system successful in Lansing schools for several years.

PROMOTION BY MERIT FAVORED BY BANKERS

But New York Bank Clerks Take Steps to Organize Union

Opposition to the proposed Bank Clerks' Union was expressed in a resolution passed at the New Orleans convention of the American Institute of Bankers, held last week. The resolution declared that "Insofar as the banking profession is concerned we are unalterably opposed to any plan proporting to promote the material welfare of our members, individually or collectively, on any other basis than that of efficiency, loyalty, and unadulterated patriotism."

Although the resolution, it will be seen, does not specifically mention a bank clerks' union, there can be little doubt that it was passed as the result of a report emanating from New York that steps were being taken in that city to include bank clerks in the proposed union of "brainworkers." It is understood, says the "American Banker," that those behind the movement have progressed to the point where by-laws have been drafted and the main points of the organization perfected. Officers of the big down-town institutions have paid scant attention to the movement, it being generally understood that those most likely to be affected are the banks with a considerable number of branches, and the east side banks and savings banks. There is perhaps no class of organized enterprise that has been so liberal and considerate of the necessities of its employees as the banking institutions. Practically without exception they have revised their salary lists in keeping with the upward trend of the cost of living, and, in addition, have granted special bonuses and put into effect varied forms of profit-sharing plans. They have inaugurated scientific gradations and promotions, and have always showed preference in appointments, for the men who have "grown up" in their institutions rather than import outside talent.

The kind of service performed by skilled workers in the banking institutions is not to be measured by the same yardstick as that employed for the mason or the bricklayer; and the tactics of the labor unions have no place in modern enlightened business enterprises. There is little danger that bank clerks will affiliate with the American Federation of Labor.

POST-DATING CHECKS

Practice Causes Annoyance to Some American Bankers

R. O. Marnell, cashier of the Merchants National Bank, of Nebraska City, Nob., has written a letter to William B. Hughes, secretary of the Nebraska Bankers' Association, in which he says:

"Kindly note this: It is becoming the custom of some 'law and collection' agencies to induce debtors who have no bank account to give post dated checks on banks, anticipating the protection of them on or prior to due date. This is to collect bad or 'dead-beat' accounts. In turn these items are sent to the bank on which they are drawn with instructions to insist on payment, but to return if not paid within 30 days. The practice of inducing people who have no bank accounts to sign checks, post-dating them and telling them how easy it will be to liquidate in that manner is reprehensible and strictly against the law governing giving of checks without funds. This practice should be frowned upon by all tradesmen and bankers who are holding the statutes covering circulation of checks without funds as being of value, as it makes such legislation ineffective almost in its entirety when used as means to the end of collecting agencies' energies. We have had several cases similar and are to-day returning one of these items with the following memo attached: 'This check is postdated signed by person other than a regular customer, and given for purpose other than bona fide withdrawal of funds to the credit of maker. We do not accept, recognize nor attempt collection of such items'."

ADVICE FROM A GREAT BANKER

In a homely, practical way, James B. Forgan, one of the greatest American bankers of to-day has written for "System" an appealing story of his upward climb from a clerkship in the Bank of Nova Scotia. It is reproduced in THE FINANCIAL POST this week—page 10—and it should be read by every banker who takes a live interest in his vocation.

TO PROTECT BANKS AGAINST ROBBERY

A General Alarm System Proposed by Minnesota Bankers' Association

By BRUCE D. SMITH,
Vice-President Northern Trust Co., Chicago.

The Minnesota Bankers Association is furnishing to its members, plans and specifications for an electric alarm, to be installed between the bank and several places of business or offices so that in the event of a daylight hold up, the bank can sound the alarm in these several places, but no bell or gong will be heard at the bank. It will make it very interesting to a bunch of hold-up artists to find that they are working in view of a lot of people and that in the event of arrests they are sure to be fully identified. In addition to this, the Association has offered a remard of $250 for bank robbers "dead or alive" wherever these alarms are used. This, in addition to the reward of $100 which is offered by the insurance companies, making $350 "per," will induce many red blooded sportsmen to equip themselves with proper arms and engage in a little man hunt if the bank is attacked.

Many banks are supplying their merchants with riot guns, commonly known as "sawed off shot guns" which are loaded with six shells, each containing nine buck shot. The whole theory is simply to make it more difficult to rob banks. It will probably be necessary to provide a few object lessons to the crooks before they are convinced that the job is harder than it looks, and some of them are going to find that instead of "having a snap" they have simply run into a trap which has been well set, and they will go to the pen, or to the morgue, whichever, they like. The alarms will be installed, in many instances, a block away from the bank, and it will astonish the crooks to find that their escape is cut off and that it is simply up to them as to whether they choose to surrender with hands up, or have their anatomy all loaded up with buckshot. In all probability a few of them will get killed before they get it through their heads that law and order are being maintained in a different way than by ordinary methods, but these lessons are sometimes necessary. The alarms which are being installed are very ingenious, as they work on both open and closed circuits so that if the line wire is cut the alarm will be given the same as it would be if turned in at the bank.

Bankers' associations in other states are observing what is happening in Minnesota, and in Wisconsin they have gone into the matter extensively. The Adjutant General of Wisconsin is furnishing riot guns to the banks in both states, as he has in his department an oversupply of these arms. Many places in Minnesota are now "all set," the alarms are installed, the business men in the communities are armed, and they are simply waiting for an opportunity to hold the most interesting reception that any bunch of criminals ever had provided for them.

BRITISH BANK DEPOSITS

Have More Than Doubled Since Outbreak of War

LONDON—At the end of June, 1914, the aggregata deposits of the then existing 29 principal banks amounted to something over £840,000,000. The aggregate deposits of the 22 principal banks to which they have been reduced at the present time now amount in the aggregate to £1,918,000,000. In other words, during the period of the War and the nine months which have elapsed since the signing of the Armistice the deposits of the great banks of this country have more than doubled. At the end of the half-year before the outbreak of the War our currency was estimated, although there were then in existence no very reliable figures on which to base the estimate, at, roughly, £50,000,000 sterling. The total outstanding currency notes last week amounted to £340,000,000 sterling, or, to put it differently, the currency has multiplied very nearly seven times over.

It would be contrary to experience and an outrage to intelligence to assume that our purchasing power of commodities has increased to the enormous extent which these figures would imply. What has really happened is that, measured in money values, there has been an enormous increase, but measured in our purchasing power of articles of consumption there has been an actual decline. Bearing in mind the large proportion of our population whose energies during the past five years have been diverted from productive occupations, it is evident that our real wealth, far from having been increased during the period, has, in fact, been very seriously diminished.

DIVIDEND INCREASE

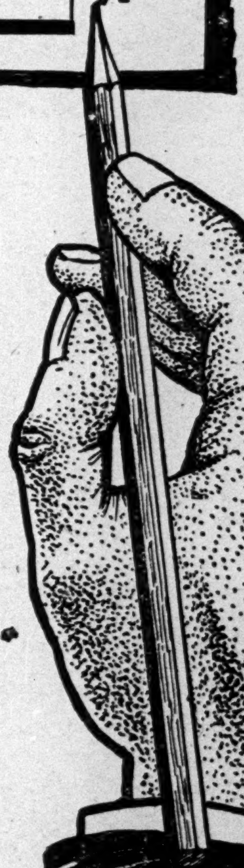
The Guarantee Company of North America has declared a quarterly dividend of 3 per cent., and a bonus of 5 per cent., both payable October 15 to holders of record September 30. This compares with a quarterly dividend of 2½ per cent. the preceding quarter which means that the company has raised its annual dividend from 10 per cent. to 12 per cent.

On January 27th last the company announced that a bonus of 10 per cent. would be paid out of accumulated profits, 5 per cent. to be payable April 15 to shareholders of record March 31, and 5 per cent. to be paid October 15 to shareholders of record September 30. This last mentioned is the 5 per cent. bonus declared yesterday.

The Way to say "No"

Mark Your Ballot with an X after Each Question under the word "No."

		YES	NO
1	Are you in favour of the repeal of the Ontario Temperance Act?		X
2	Are you in favour of the sale of light beer containing not more than two and fifty-one one-hundredths per cent. alcohol weight measure through Government agencies and amendments to The Ontario Temperance Act to permit such sale?		X
3	Are you in favour of the sale of light beer containing not more than two and fifty-one one-hundredths per cent. alcohol weight measure in standard hotels in local municipalities that by a majority vote favour such sale and amendments to The Ontario Temperance Act to permit such sale?		X
4	Are you in favour of the sale of spirituous and malt liquors through Government agencies and amendments to The Ontario Temperance Act to permit such sale?		X



Above is an exact reproduction of the Referendum ballot, showing the correct way to Vote in order to sustain the Ontario Temperance Act as it stands.

Everybody should study the four questions and realize exactly what they mean. Do not be misled by the insidious demand for "light" beer.

The beer of the ballot is 118% stronger than the Ontario Temperance Act now allows, and over five times as strong as the limit allowed for beer defined as non-intoxicating in Great Britain and the United States.

Must Answer Each Question

1. Unless you vote on every question your ballot is spoiled.
2. You must mark your answer to each question with an "X" only. Anything else would spoil your ballot.
3. Unless a majority vote "No" on question 1 the bars will be restored and the sale of all kinds of intoxicants permitted.
4. Unless a majority vote "No" on questions 2, 3 and 4 the Ontario Temperance Act will become almost worthless.
5. The only SAFE course is to mark your ballot as shown above.

"No!"—Four Times—"No!"

No repeal; No government beer shops; No beer saloons; No government whiskey shops.—Four X's, each under the word "No."

Ontario Referendum Committee

JOHN MACDONALD, *Chairman* — D. A. DUNLAP, *Treasurer* — ANDREW S. GRANT, *Vice-Chairman and Secretary* (1001 Excelsior Life Bldg., Toronto)

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THE FINANCIAL POST

Members of the Audit Bureau of Circulation.

President - - - - JOHN BAYNE MACLEAN.
Manager - - - - GORDON RUTLEDGE.
Editor - - - - - - J. W. TYSON.

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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Financial Reports, Debenture Notices, etc.,	15c per agate line.

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TORONTO, OCTOBER 18, 1919

THE DANGER AT OTTAWA

THE Government and the representatives of the shareholders having reached an understanding—the equitableness of which, may, however, be open to question—the chief phase of the Grand Trunk purchase proposal which need be considered is **the interests of the whole people.** Looking then to public interest THE FINANCIAL POST cannot regard the whole proposition with anything but grave apprehension.

This attitude of disapproval of the Government plans in the face of the popularity of public ownership is taken because we can see nothing in Government operation of the future longest railway project on the continent but a development of that spreading inefficiency which, like leprosy, eats with fatal results throughout the whole system under such favorable conditions. Before the war we had the futile efforts in Europe and in the Antipodes to make a success of Government operation of railways. Since, we have had England and, much closer to home, the United States to study for evidences of the failure of projects which, in theory, will probably always have a strong appeal.

We fail to see that there is any special crisis in Canada at the present time. The Government could continue for the time being the present arrangement. The Grand Trunk executive, we think, would manage to finance its own affairs if some satisfactory arrangement were made regarding the Grand Trunk Pacific and could no doubt be induced to move its present administrative officers from London to Montreal, or appoint others equally, or better fitted to undertake the responsibilities involved.

We are told, then, that the Canadian Pacific might "gobble up" the road. Perhaps something more serious might be thought of. We are quite sure that the shipping and travelling public would rather, for their interests and convenience, trust the Grand Trunk to the Canadian Pacific than to the Government. We do not think that the Canadian Pacific would, however, seek to add the Grand Trunk to its system under any other pressure than to keep it out of the hands of the Government. This might seem a contradiction to what we have said regarding the Government inefficiency. For a time, no doubt, the Canadian Pacific service would stand out by comparison, but Government ownership evils cannot be restricted. The Canadian Pacific thrives on healthy competition. It would be seriously menaced by Government competition—where a bid can be made to the public support by giving popular rates and individual favors, and where the attendant losses can be buried in the public accounts and camouflaged in the tax bills of the people.

The Government's policy is undoubtedly influenced by the voting power of the public ownership supporters who have gained such strength in Ontario, and whose forces are being swelled by clever politicians in other parts of the Dominion. We have previously stated that Sir Adam's step from Hydro chairman to Minister of Railways would be a short one, now that he is "out of politics" in Ontario. Even more likely is such a development with the Grand Trunk also under public control. However, that in itself would perhaps be no important factor in the net effect upon the public interest of the present proposal before the Ottawa Government.

ONTARIO'S HYDRO INVESTMENT

WHAT is the investment of the people of Ontario in the Hydro-Electric? Premier Hearst at Bowmanville last week is reported to have said that the total amounts to $57,000,000. Sir Adam Beck at Toronto this week is reported to have put the total at $96,000,000. We are of the opinion that one figure or the other may be right—but it is more likely that both are wrong.

We doubt if it would be possible to-day to give a correct statement of the position of the Province in financial relation to Sir Adam's gigantic schemes. And this evidently is only the beginning. The radial projects promise to at least double the present figure, whatever it actually is.

In view of these estimates by Sir William and Sir Adam, it is not difficult to understand the break between the present Government and the Hydro chairman. In fact, those who know anything of the relations between the London Knight and the governors at Queen's Park, have long realized that the members of the Cabinet were becoming most apprehensive as to the extent to which the credit of the Province was becoming involved. The idea that it was merely a move to take the Hydro out of politics carries no weight with people who know anything of the situation and who know that if the new Government refuse any demand of the Hydro boss, he can immediately bring the Opposition to his support and force the hand of the Cabinet.

The situation is fully appreciated by the London *Advertiser*, which as a newspaper in Sir Adam's home town, is in a position to well understand the man and his methods. We quote:

> The public will not be deceived by this statement. There is a serious split in the Hearst Government, with an element following Beck in opposition to the Premier's faction. The reason is so well known that it seems hardly necessary to mention it. Sir Adam Beck desires to have complete control of Hydro. He wants to be placed in a position where his word will be supreme, unquestioned. His impatience under Government and legislature investigation and supervision of the business of Hydro is notorious. He has repeatedly fought against any searching into the affairs of his department, taking the high-handed attitude, at least by act if not by word, that he stands apart from any control by those elected to supervise all the business of the Province. Without saying it in so many words he has given the impression that Hydro is safer in his hands than in the hands of the Government. This is resented by the Hearst faction, which has made "Hydro is safe with Hearst," an election slogan. The inference is that Hydro is not safe with Beck, that the public is not best served should Sir Adam have his way. The fact is, apparently, that his former political friends, his own party, consider him a dangerous man to be permitted the absolutism he desires as chairman of the Hydro Commission.

This is the situation which is getting but small attention or consideration in the whirligig of the popular election campaign, but it is receiving the grave consideration of investors and business men who realize the immense stake of the Province, the municipalities and the people in this great enterprise and the necessity for safe, sane and efficient administration.

BANK CUSTOMERS AND EXCHANGE

THERE are many readily available evidences of the efficient service which Canadian banks render to their customers and there are some vague complaints in the same connection. Perhaps there is no criticism so often heard in these times of abnormal exchange rates as that the banks are making big profits at the expense of their customers. As a matter of fact, the margin to the bank should always be practically the same no matter what the rate—the banker is entitled only to his hire under all circumstances.

But when the charge is heard that if the customer buys exchange he always pays for it, but if he has it for sale, he has to ask his due; further, that the depositor who is not up in banking, will not get the credit for that to which he is entitled. We believe there is little to substantiate this charge, but a case which seems worthy of serious consideration is made by a man of standing in the Canadian financial world in a letter to the editor of THE FINANCIAL POST:

> In going over the affairs of a lady deriving a limited income from certain investments, I found that various amounts of New York funds had been credited to her bank account without allowance for exchange, while the same bank has for instance, always credited me with whatever was the prevailing rate when I had New York funds for deposit.
>
> A letter to this bank produced the missing credit with the explanation that the matter had been overlooked—is it not unfair, to use a milder expression that I feel the situation demands, that just because a woman is ignorant of such matters that she should receive less for her goods than a man more versed in such transactions?
>
> If to-day a farmer may leave his eggs at the village store with the certainty that he will be credited with the prevailing price, how much more should a depositor be entitled to rely on one of our great banks to treat her equitably?

This we sincerely believe to be an exceptional case and one which probably has a very simple explanation, but the fact that a bank has laid itself open to such a charge, emphasizes the great necessity for all big financial institutions as well as industrial corporations to exercise scrupulous care in their relations with the public. No one with an understanding of Canadian banking would believe that the affairs of a customer would, as a matter of policy, be treated in such manner. But the customers are not interested in matters of policy; they are conerned with service. And the public must and will be served.

EDITORIAL NOTES

EUROPE will be able to feed herself after two years, says King Albert. In the meantime there is evidently work for us in America to do.

* * *

IN ONE day, $1,200,000 worth of furs changed hands at the autumn sale in New York. This is said to establish a record for a single day's sales. People who buy furs are not usually hard up for food.

* * *

IT IS interesting to consider the soaring prices of farm property in relation to the argument of W. C. Good, that in Canada, there is not sufficient profit being returned to farm labor or farm capital.

* * *

WHEN Major Alex. Lewis, at a political meeting in Southeast Toronto, declared that "it was not because of Sir Adam Beck that the Hydro-Electric is a success, but because of the Hydro-Electric that Sir Adam Beck was a success," he expressed an idea not new, but one which may well be repeated in view of the Hydro chairman's latest political manoeuvre.

* * *

SIR ADAM Beck declares that there was no "profiteering" in Hydro power during the war. But charging too much may not be much worse than charging too little if the latter course is to be considered as ground for the Hydro claim of $5,000,000 from the Dominion Government—and the people of Canada—as some kind of a bonus for munitions service in supplying power.

* * *

WHAT has recently become of "that man O'Connor?" His press bureau, with headquarters at the Toronto *Globe* office, seems to have been closed up, following his attack upon the farmers and other food producers. Which reminds us of an editorial printed in this column at the time under the heading: "O'Connor's Waning Popularity," which submitted the argument that in pleasing the consumer there is a limit to the number of producers who can be safely attacked, because producers are themselves consumers.

* * *

MAYOR CARTER, of Guelph, wants to know the status of the experts who are to report on the Guelph Radial situation for the Hydro Commission. This is not surprising when it is considered that Mayor Carter has had a successful business career in the Royal City and has extensive interests there which depend upon the prosperity of the community.

HOW IT HAS PAID A BIG BANKER TO LOOK AHEAD

For Half a Century James B. Forgan, Head of First National of Chicago, Has Guided Business Activities by a Simple Rule—Early Training in Canada

There is a homely atmosphere imparted to the successful business career of one of the biggest bankers in the United States—James B. Forgan, Chairman of the Board First National Bank of Chicago—in his own story of how by applying the simple rule of "looking ahead," he has reached a high pinnacle in the financial world. Mr. Forgan got his early banking experience in Canadian banks in the Maritimes. Every man who has either had experience in a bank or with a bank will find it wonderfully interesting:

Several times in my business career it has seemed to be a very close question whether I should go on to bigger work, or stay where I was, and each time the chief factor in pushing me ahead appears to have been the same. It was not an extraordinary talent. I do not believe I had such a thing. It was just a kind of studious habit that I stumbled into while working as a junior clerk.

The habit has been of great use to me in developing my own capacity, but that is by no means the sum of what it has done for me. Since I became an executive, it has repeatedly suggested means of enabling employees and customers to develop in the same way. And so its value to me, to say nothing of the others, has been multiplied many times over.

The method seems rather obvious, one that almost anybody might fall into, and yet if there is one reason more common than all the rest for refusing loans at the bank, it is the lack of just this studious habit. Not infrequently a man who has a good statement and plenty of demonstrated ability along certain lines is willing to take a leap in the dark. He is cutting prices without knowing his costs. Or planning extensions without analyzing his market. In one way or another, he is going ahead without a reasonable amount of investigation beforehand.

The Best Laid Plans

This lack of thoroughness has been back of practically all the failures and indifferent successes that I have known about. The best laid plans do sometimes go aglee, but not as often as is frequently supposed. Nearly always you can find some glaring carelessness in the planning.

Even more common than lack of thoroughness in executives, I have found, is the type of organization that makes it impossible for subordinates to be thorough. And this, of course, tends in the same direction, away from real success.

If the story of how I have developed the opposite method in some measure and how it has worked to my advantage, is interesting or useful to other executives, I shall be very glad to have told it.

The studious habit started from an ordinary healthy curiosity. I wanted to understand what I was doing, and from the day I first got into a bank, I worked with that in view, without much thought of specific profit from it. The first big proof I had of the value of the understanding came about eight years later when it suddenly whisked me across the chasm that exists between a bank clerk and an official position in the bank. Measured by money, the habit, the will to understand or whatever you call it, has done much bigger things for me since, but nothing could have wedded me to it more firmly than that.

In Canadian Bank

I was a teller in the head office of the Bank of Nova Scotia, in Halifax, and about 24 years old. The manager, Thomas Fyshe, received a telegram one morning from the manager of the bank's branch at Yarmouth, a town in the same province, announcing that he had been quarantined and asking that someone be appointed to take his place at once.

Fyshe had no one except clerks to choose from. There were about twenty of us in the head office and none of us, I suppose, stuck out particularly. He sat in his office a while thinking us all over, and then came out behind the cages to look us over and refresh his mind about us.

"I saw your shock of hair towering over the top of your cage," he told me afterward, "and that made me look at you twice."

But, of course, if there had been nothing besides my height to recommend me, I would have been worse off for my very conspicuousness. What turned the balance in my favor, Fyshe once told me plainly, was the habit I have mentioned.

I had been a poor teller. Fyshe himself had said so, and to me. I was slow, because I was too much interested in what was back of the checks I handled. I had been an indifferent bookkeeper for the same reason. It was never enough for me to know that John Jones was checking out $50 to Henry Smith. I wanted to know why he was doing it.

A youngster in a bank, especially in a small city, can learn a great deal about the business of the place, simply by keeping his ears and eyes open. But I used to go further. I used to get acquainted with customers and ask them about transactions of various kinds that I did not understand.

This took time, of course, and Fyshe did not like that. But he did like the way I stored up information. He sometimes came to my cage for facts, and even opinions, and I usually gave him what he wanted. This was what occurred to him most forcibly that morning as he stood there looking at my head—and he called me out and offered me the temporary branch managership.

Being slow often meant working overtime. I did not pay much attention to hours in those days, and as a matter of fact I never have. The studious habit often involves this sort of thing. It may take away some of a man's playtime, but far from taking his fun, actually makes it. Every manager who has once thoroughly understood his business knows there is no real fun or even peace of mind to be found short of such an understanding.

A Branch Manager.

I was acting manager of the Yarmouth branch for several weeks, and finished the job without misadventure. But what kept me from going back to the clerical class when I finished was not so much my work as acting manager, as a report on the condition of the branch which I was asked to make while I was there. And what enabled me to make as good a report as I did was, again, just a bit of preparation that had come boring under the surface of my everyday clerical work.

Before going to the Bank of Nova Scotia, I was a bookkeeper in the Halifax branch of the Bank of British North America, and while I was there one of the bank's inspecors investigated the bank, and I happened to be called on to make a long-hand copy of his report. I might have done the work in a perfectly satisfactory way without understanding a word of the report. But I found it the most interesting document I had ever had in my hands. It was a constructive criticism not only of my own and all the other clerks' work, but also of the manager's work, the policies of the branch and many of its individual transactions.

I probably proved a slow copyist, but when I finished I knew what the report contained. I had both its substance and its form very clearly in mind. I had studied it, not so much with the idea of making reports myself someday—for that was only one of many dim possibilities—as simply because I was interested.

But when I was asked to make the Yarmouth examination, I was ready; I knew exactly how to go ahead. After reading my report, the directors asked me to stop off at three other branches on the way back to Halifax and report on them. When I reached Halifax, I was appointed secretary to the manager.

Outwardly, the circumstances were very different that day from what they were 15 or more years later when Lyman J. Gage asked me to become one of his vice-presidents in the First National Bank of Chicago, and yet the two incidents were much alike. In their essentials they were developed the same way.

Hiring a New Vice-President

I first met Mr. Gage when I went to see him on some business for the Northwestern National Bank of Minneapolis, of which, I was cashier. One thing led to another as we talked, until he had asked me pretty nearly everything I knew—and a good many things I didn't. I remember that when I got back to Mrs. Forgan, in the bank outside, and remarked that he had kept me an extraordinarily long time, she entirely agreed with me.

A few weeks later, I had to write to Mr. Gage for some ordinary piece of information. I got a queer answer from him. He said he would be glad to give me the information, but he thought it would be better all around if I would come down to Chicago, and get it. It was such a trivial matter that I would have been half angry, if I hadn't suspected that he had something up his sleeve. As it was, I got on the train that night and went to Chicago.

"While we were talking here the other day," Mr. Gage said, when I was settled in his office, "it occurred to me that you would make us a good vice-president. How would you like to come with us?"

Knowledge and Profits

There was, of course, an accumulation of experience and at least decent success arguing for me with Mr. Gage. From secretary to the manager at Halifax, I had become an inspector. As inspector, I had not only done the regular inspection work but also had been sent out to organize a number of branches. I had been promised that when there was a vacancy in the managership of a branch, which I would like to fill, I might have the place for the asking, and under the promise I had become manager of the branch at Minneapolis. And from that position I had been called to be cashier of the Northwestern National.

Each of these positions marked an advance over the one before, and Mr. Gage was doubtless influenced more or less by the record. But the decisive factor—I know from more than one talk with him—was essentially the same as it was with Thomas Fyshe the day he called me out of the teller's cage at Halifax: he saw that I had let my information and understanding broaden out beyond the strict requirements of the work I had been doing. In this sense, I had prepared for larger work, although with no specific thing in view; and the preparedness brought the work. The same is true of every other advance I made, from Halifax to Chicago.

No account of this studious habit would be complete without a word about three other practices that have helped to make it effective.

I have already explained how it involves extra work and extra thinking, beyond what one is paid for at the moment. That, of course, is inevitable.

The second practice is that of taking up always what appears to be the most essential pending matter, and then giving one's whole attention to that until it is disposed of. Nothing, I have found, gets a man further in his studies and his work than this. Nothing can slow him up more than lack of concentration, letting irrelevant thoughts run in from whatever quarter to divide and distract his attention. This latter tendency will defeat a man altogether if he does not control it. But anyone with a little persistence can control it. Handle one thing at a time, and that one the most important and concentrate your mind on it. That is the second essential practice.

The third is to be friendly. You have to be friendly with people to know all you ought. A very large proportion of all the valuable information we get comes through people who like us and have some confidence in us. If I had not made friends with those people back in St. Andrews and Halifax, I could not have asked them about the business back of the checks I had handled. If I had had more understanding, I should have seen, as I did soon begin to see, that is was not necessary to do much asking. Watch how friendship goes, and you will see that friends spontaneously tell one another most of the things they need to know.

How foolish it is, then, for a banker to be "uppish"! How impossible for a real banker! (And, of course, I single out bankers only because they are in the line most familiar to me). I have known more than one man of great ability who has seriously slowed up his career by this fault. Their attitude has seemed to say:

Continued on page 11.

PERSONALS

J. B. FERGUSON, a well-known Toronto business man, who died this week, was president of Canadian Woollens, Ltd. For ten years he had been a broker in the city in partnership with J. Y. Ormsby.

D. H. McDOUGALL, president of the Nova Scotia Steel Company, left for England last week, accompanied by W. D. Ross, of Toronto, and Col. Cantley, of New Glasgow. The party expect to visit the more important coal and steel plants in Britain, France and Italy, and to inspect the iron ore districts in Spain and in Norway and Sweden.

JOHN K. MACDONALD, veteran head of the Confederation Life Association, at seventy-eight is making his annual inspection trip through Western Canada, accompanied by his son, C. S. Macdonald, acting general manager of the company. Mr. Macdonald was an original shareholder in the company, and is now rounding out fifty years of association with its affairs.

A. T. WELDON, the newly appointed freight traffic manager of the Canadian National Railways, at Montreal, will have jurisdiction east of Port Arthur. Mr. Weldon previously was freight traffic manager at Moncton, N.B. He succeeds Guy Tombs, who left railway work a short time ago to become manager of transportation for the Canadian Export Paper Co.

F. J. BULLER, treasurer of the Canadian National Railways, has resigned to accept the position of vice-president and manager of the Canadian Steel Tire and Wheel Company, which is constructing a plant at Montreal to manufacture steel tires for locomotives and passenger equipment. Mr. Buller is a well-known figure in the railway world, and was with the Canadian Northern for nearly twenty years.

E. M. SAUNDERS, treasurer of the Canada Life Assurance Company, who has been in Vancouver recently, said that his company was well pleased with conditions found in British Columbia, where the company has investments aggregating $2,400,000, largely in municipal debentures. Referring to the West generally he said that there was a higher level of prosperity throughout the West to-day than was generally thought. Financially business was much better than anticipated. In extension and collections, his company had gone about fifty per cent. beyond the objective set early in the year. Business in all of the cities was on the upgrade and there was a general scarcity of houses.

VICTOR ROSS, for a number of years financial editor of the Toronto "Globe," who was made assistant to President Walter C. Teagle, of the Standard Oil Company of New Jersey shortly after the latter's promotion from the presidency of the Imperial Oil Ltd., has recently taken up his work in Toronto as vice-president of the International Petroleum Company and as a director of Imperial Oil, Ltd. He retains a directorship in the Intercolonial Company, which will still take him to the United States occasionally. Mr. Ross's rapid advance in the field of finance and business is being noted with considerable satisfaction by his large and increasing circle of friends.

WALTER LEAF, president of the London County, Westminster and Parr's Bank, is in Montreal at present, this being his first visit to Canada. Mr. Leaf, who is president of the noted English bank which some time ago took a million dollars' worth of stock of the Royal Bank, stated that this interest in no way implied that the Royal Bank had come under control of the English institution, but that it was in every way as independent as it was before the transaction. Mr. Leaf said that while there was no talk of amalgamation between London and colonial banks, there had been some development of late with the association of large London banks with colonial and even foreign banks. Mr. Leaf will shortly visit Chicago and New York, as he is anxious to ascertain the attitude of American financiers towards the problems of reconstruction in the European situation.

AFRED BAUMGARTEN, who died in Montreal this week was the founder of the St. Lawrence Sugar Refining Company, of which he remained the president until his death. Mr. Baumgarten was also a director of the Bank of Montreal and was interested in many other large institutions. Mr. Baumgarten was a native of Germany, and for this reason has been very inactive in the public financial life of Canada for the past five years, though his loyalty to the country where he has resided for 46 years was always unquestioned. He emigrated to the United States in 1866, where he was employed in various chemical works and sugar refineries. He came to Montreal in 1873, engaging in chemical and sugar refining work, and in 1879 founded the St. Lawrence Sugar Refining Company, of which he was president for many years.

J. MURRAY CLARK, K.C., LL.D., known throughout Canada, Britain and the United States as an expert on mining law, has been granted the degree of LL.D. at Queen's University, Kingston. Dr. Clark's text-book on mining law is recognized everywhere as the standard work on the subject, and he is a member of the Mining Law Committee of the American Institute of Mining Engineers. Dr. Clark, who is a resident of Toronto, where he is president of the Royal Canadian Institute, has often appeared before the Privy Council, and has acted against Lord Finlay and Lord Haldane when they were practising. His pamphlet on the Reign of Law was reprinted by the Bar Association of the United States as an antidote to anarchism.

DEPENDABLE INVESTMENTS

A.E.Ames & Co.
ESTABLISHED 1889
Union Bank Building, Toronto
Montreal New York

SUGGESTIONS ON REQUEST

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

C. N. W. BONDS

N.D.M., Hamilton. — We hold $5,000 face value of Canadian Northern Western Railway bonds bearing 4½% interest, due October 22nd, 1943, and would like to have your estimate on what these bonds are worth at the present time. Would you recommend holding these?

The bonds of the Canadian Northern Western Railway bearing 4½ per cent. interest, due October 22nd, 1943, are now selling in Canada on a basis to yield about 5¾ per cent.—that is around 60. As these bonds are guaranteed by the Province of Alberta they are regarded as very cheap at the present market price and we think you could be well advised to hold for a better market. One important factor in the recent situation has been the low rate of sterling exchange which has made it attractive for English holders of these bonds to sell them in Canada.

IMPERIAL OIL

D.J.G., Toronto.—Would you be kind enough to furnish us with the following information regarding the Imperial Oil Company or, as the company is known, the Imperial Oil Ltd.: Names of directors of the company; bonds and stocks of the company authorized and issued; approximate bid price of common stock to-day; approximate bid price of common stock of Imperial Oil Ltd., in 1909; any information possible covering the company's properties and activities.

The directors of Imperial Oil Company, Ltd., are: President, C. O. Stillman; vice-presidents, C. H. Smith, C. W. Mayer, J. L. Englehart, A. M. McQueen, Victor Ross; directors: Sir Edmund Osler, A. M. Rogers, J. P. Rogers and W. T. McKee.

This company has an authorized capital of $50,000,000, of which $30,000,000 is outstanding. Shares have a par value of $100. No bonds. Incorporated in Canada in 1880. It controls Imperial Oil, Ltd and International Petroleum Co., Ltd.

Imperial Oil Ltd. was registered in Canada December 14, 1917, to take over the producing, marketing and manufacturing business of the Imperial Oil Co., Ltd., It has refineries at Vancouver, Sarnia, Regina, Montreal and Halifax, and also has numerous marketing stations throughout Canada. Its capital stock of $50,000,000 is all owned by Imperial Oil Company, Ltd.

The International Petroleum Company was incorporated September, 1914, in Ontario. It required control of the London and Pacific Petroleum Co., and the Lagonites Oil Co., Ltd., producing companies, and the West Coast Oil Fuel Co., Ltd. a marketing company. These companies operate in the Peruvian oil fields. They own several large tank steamers and have additional ones under charter.

> **VIEWS ARE IMPARTIAL TO POST'S INQUIRIES**
>
> Editor,
> The Financial Post.
> Dear Sir:—
>
> I have read the POST every week since my return from overseas, and I am of the opinion that your views are impartial in regards to any investment inquiry, which your readers submit for your judgment.
>
> AN OTTAWA SUBSCRIBER

The common stock of the Imperial Oil Co., Ltd., is selling in the Toronto market for about $425. As this stock has never been listed we have no official record as to the prices now prevailing in 1909 and in 1914. Early in 1916 the price was $200, but it reached $315 in December of that year.

WESTERN LANDS

W.H.L., Liverpool.—I shall be much obliged if you will kindly inform me if the following Canadian investments are worth purchasing as a "lock-up," seeing that Canada is to be one of the leading countries of the future: (1) Western Canada Land Co., ordinary shares: (2) Canada Land and Irrigation, fully-paid ordinary shares; (3) Forest Mills of British Columbia, dollar shares; (4) Canada Western Lumber Company, ordinary shares.

Western Canada Land Company.—There is no report available of the activities of this company since December 31st, 1913. No dividends have been paid since 1912 on the shares of the company and interest on the debenture stock is in default from October 1st, 1914. There were still 285,000 acres of unsold land owned by the company at the time of the last report in 1913.

Forest Mills of British Columbia.—Accounts of this company submitted on December 31st, 1917, showed a net deficit in profits and loss account of $468,000. The company has timber rights over a large area of British Columbia, owns four saw mills and 90,000 acres of timber land.

Canada Western Lumber Co.—No dividends have yet been paid on the ordinary shares of this company and the income is not sufficient to pay interest on the debenture stock. The deficit at the end of 1916 was nearly $3,000,000. Canadians have recently been showing improvement.

Canada Land and Irrigation Co.—Recent reports are to the effect that water is now running over the company's south dam nine miles from Lomond, Alta., and D. W. Hays, general manager of the company, states that prospects are good for colonization of large tracts of land during the coming spring.

Generally speaking, we would think that the shares of any of these companies would have their atraction for the investor seeking a proposition such as you mention. The companies have succeeded in weathering the war conditions and with the developments which should be confidently expected in Western Canada their prospects should be materially improved. An important point in making a purchase at the present time would probably be to get a rock bottom price—that is the real rock bottom price.

MERCHANTS AND EMPLOYEES

A. F., Quebec City.—Would you kindly tell me the actual value of three shares of the Merchants & Employers Guarantee and Accident Company of Montreal.

It has been a little difficult to get any price quoted on this stock as there is very little that is changing hands. This is part of an increase of one million dollars capitalization of the company, of which $500,000 has been subscribed and one hundred thousand dollars paid up. The company was organized some six years ago and for three years paid at the rate of six per cent., but decided that it would be best, until business improved, to dispense with dividends two years ago, and last year as well. We are informed that it is improbable that a dividend will be declared for the present year either, but it is hoped that some action can be taken in the near future towards the payment of dividends.

So far as the value you could receive for your stock, we are informed that a short time ago there was a sale at 75, that is 75 per cent. of the paid-up portion of each share. As this is 20 per cent., the amount actually paid for a share would be $15 for the paid-up portion of $20, or $45 for the three shares. If you wrote the president or secretary at the head office, 18 St. Denis St., you might be put in touch with someone who would be willing to buy your stock.

McINTYRE AND WASAPIKA

H.P., Quebec.—A few months ago I gave a broker some shares as collateral guarantee for him to buy 100 shares of McIntyre for me. Since then I have written him three times to send me these shares, but received no answer. I sent him a cheque for $162.28, the amount of the statement, but I have not yet received the McIntyre stock or the other shares. What can I do in a case like this? On September 2 the same broker bought for me 500 shares of Wasapika and told me that this stock was sold on terms that it be pooled until January 1, 1920, and that in due course I should receive a certificate from the Imperial Trust Co., stating that they are holding the stock for me until that date. When I bought Wasapika I understand it was stock and not pooled stock.

You have evidently purchased a portion of the 30,000 shares of pooled stock of Wasapika offered a short time ago at considerably below the market price. You will not receive your stock until next January, as this was the arrangement under which the stock was sold. You are not debarred from selling the stock, however, and although you could not obtain the prevailing market price for it until after your shares are released from pool, you would undoubtedly have little difficulty in selling it for more than you paid for it. In view of Wasapika's steady rise from 80 cents in August to over $1 now you would probably lose nothing by the transaction whether you sell now or hold until January 1, which would seem to be the better course of the two.

If you have not already received the McIntyre and the other stock you mention you could no doubt recover it by taking legal action.

BRAZILIAN

H.C.D., Newfoundland.—I shall be very grateful if you will kindly give me some information as to the financial standing of the following companies: The Davidson Consolidated Gold Mines, Ltd., and the Sovereign Gold Mines, Ltd. Do you consider these concerns worth putting any money into?

If you are willing to hold for a year or two, Brazilian, we believe, offers a good buy at the present market price. On a long hold there is every prospect of considerable appreciation. As there is an element of speculation in Brazilian, however, it could hardly be recommended as a sound investment for a woman.

It would take a prophet to say whether or not a dividend will be paid next year. The general opinion is that the directors will continue to follow out their policy of building up the company's reserve until normal conditions are restored in Brazil.

There are three principal causes for the adverse rate of exchange against Brazil. Internal conditions in the country are not of the best, and the Government has not pursued a very conservative policy in regard to the country's finances. Now, however, a firmer policy is being undertaken which will probably have a good effect. Owing to the war, Brazil has not been able to carry on with its export and carrying trade. This, combined with the shutting off of the German market, which formerly consumed a large share of Brazil's coffee and rubber products, has demoralized the country's trade and commerce and has caused the adverse exchange rate. But the rates have improved somewhat of late and with a resumption of the export trade should become more normal soon. This, of course, would be of benefit to Brazilian Traction.

CANADIAN CAR

W. R., India.—I would be glad to know the prospects of the Canadian Car, as I am holding some shares.

We have taken up the question of the position of the Canadian Car and Foundry Company with the management and others in close touch with the affairs of the company and learn that so far as the financial and physical condition of the company is concerned it is now in the best position in its history. All the banking indebtedness that used to run up anywhere from five to ten million dollars has been wiped out and the company has about eight million dollars' worth of orders on hand. This, however, is not a large amount for a firm that has eight separate branches, and for many months past the management has been rather disappointed, we understand, by the comparative smallness of the orders that have been received. That is always an uncertain point about this company. With large orders it makes a great deal of money, but with orders falling off the overhead charges are very large and its earnings are thus cut down very materially. So far as prospects are concerned it is also a little difficult to tell just what would be coming to the company. There is no question that a large quantity of rolling stock, both freight cars and passenger cars, are required by the Canadian railways, and one estimate by a leading railroad man is that 50,000 freight cars are needed at the present time to bring the railways up to standard. The American companies are expecting very large orders, enough to keep them going to capacity as soon as the American lines are turned over by the Government in good financial shape to the individual companies. This would mean that the Canadian car concerns would be in a better position with outside markets, such as Roumania, Russia, Poland, Bulgaria, etc. Negotiations are now going on with the one European country, and one of the directors of the company and one of the vice-presidents, who are now in France, are trying to arrange for orders there. If these come, together with the expected domestic orders, the company will be in a fine position and will be earning well. You see thus the uncertainty that exists until orders are actually received.

HOW IT HAS PAID A BIG BANKER TO LOOK AHEAD

Continued from page 10.

We are doing very well in this place. We are in a position to do you favors, but we can also get along very nicely without your business.

And when the head of an institution takes a particular attitude, you generally find it reflected all down through the organization. I suppose nearly every one has known banks and other businesses which gave the impression of complete independence of, and condescension to, the customer.

It not only drives away business, but also actually keeps the offending officers from finding out what is the matter. It freezes up the streams of friendly counsel.

Usually, the directors of such a bank see the light sooner or later, and kick the misguided officer upstairs or down, if they cannot reform him. And when they get a man with the right attitude, even if he hasn't quite all the talents of his predecessor, they begin almost immediately to see good effects on the business.

Be friendly, be human — that is the third essential, if we are to learn all we ought to know about our business.

Broadening the Idea

Now, it will not seem strange, after all the benefits I have received from these methods, that I should have tried to enable and encourage the employees of the bank to follow them, for the bank's sake as well as the employees'. Some years ago I planned a radical rearrangement of the work of our officers with this object in view. True, there were other objects. I hoped to reduce our losses, improve our service to customers, and get more new business. But all these results I expected to accomplish through the development of greater thoroughness in the men themselves.

It is 15 years since the plan was introduced, but it has proved so effective, that we have continued it substantially unchanged to this day.

Before the plan was adopted, there was no logical distribution of customers among the bank's officers. A customer dealt with a certain officer because he happened to have known him before or because some friend had known him or for some other such reason.

An officer might have customers from practically every line of business. They might be bankers, packers, coal dealers, wall paper manufacturers, real estate men, publishers, steel manufacturers, grocers, druggists, and so on. In fact, the customers of a single officer were commonly just as miscellaneous as that; and the customers of his neighbor at the next desk might be just as miscellaneous, and cover many of the same lines. It was obviously impossible for any one man to know enough about all of those fields to handle the business as he should.

The system also failed to provide for the proper development of junior officers. These officers were in touch with the daily cash transactions of a certain number of customers, but they had nothing to do with the discount department. Thus they passed their formative years without getting any practical experience in that highest of banking functions, the making of loans. The consequence was that we did not have enough of the right kind of material coming along to fill vacancies among the senior officers.

Under the new plan, we classified our customers into twenty-six divisions, according to the lines of business they were in, and assigned sometimes two or three and sometimes more of these divisions to each individual senior officer, with a junior as his assistant. The officers were to be held responsible only for accounts in the lines assigned to them, and they were relieved, as rapidly as the circumstances permitted, of responsibility for accounts in other lines.

The plan gave each officer a field of such size that he could hope to become expert in it. And he is encouraged in every reasonable way to become expert. For one thing, he—the senior officer, I mean—is absolutely responsible for the business done in his division. Either the president or I will gladly consult with him about matters on which he is in doubt; indeed we expect to consult with him on such matters, but it is understood that the final decision is his own. If there are losses, the responsibility is his. If the division makes a particularly good showing, the credit is his. In any event, the results are a direct indication of his knowledge of his field.

Getting Information

How far this tendency is encouraged may be judged by the duties of the senior and junior officers in each division. Their duties are:

First. To make a careful study of general conditions of business in the special lines assigned to them.

Second. To make the direct personal acquaintance of as many as possible of the people engaged in these special lines, and at all events to acquire the personal acquaintance of the leaders and get on such personal terms with them that they can secure information both general and specific in regard to their lines of business and the people engaged in them.

Third. To tabulate as completely as possible the dealers in each specific line of business with such information as they can obtain about them, including their banking connections, etc., and thereafter to use every legitimate means to secure new desirable business.

Fourth. To make a written report at least once a year on all customers separately in each line of business, and to tabulate them, showing the total amount of their aggregate deposits and loans; the number of accounts open; the number and value of new accounts opened during the year; the number closed and the reason therefore; the failures that have occurred, and the losses made thereby. These reports show the increase or decrease in business in each particular line during the year. The junior officers prepare the reports in detail, and the senior officers make any remarks on them that may help to give the executive committee, the president and myself, to whom they are submitted, an intelligent understanding of them.

The senior and junior in charge of a division are expected to be in frequent and candid consultation on all phases of their work. The senior's judgment must of course prevail, but the junior is expected to state his opinions fully to the senior, and the senior to give them careful consideration.

The plan has been effective for practically all the purposes for which it was framed. It has been of great assistance in getting new business and developing juniors, and under it we have reduced our losses more than half. But all of this has been accomplished, as we expected, by giving our officers the opportunity, and also the incentive, to be at least reasonably thorough.

The commonest reason for the lack of thorough knowledge on the part of busines men, I believe, is that they think they must do an enormous job of studying to learn anything of practical value. My experience has been very different from that. A little studying, a little investigating, has often done wonders for me, even when it seemed to me that what I learned must already be a commonplace with most people.

One of the things I did that was most appreciated, in a bank I was with before I came with the First National, was to replace a system of bookkeeping which in many banks had been considered obsolete in the previous generation. Yet our bank was up-to-date in most respects.

I have never gotten over being surprised at how far even a little exact information of the right sort will carry a man.

LAWYERS AND LEGISLATION

Toronto *World*

It is not without significance that the first thing on which the employers and employed in the Industrial Conference could agree upon, was to bring about a unification of the labor laws throughout the Dominion.

There are more lawyers in Parliament and the Legislatures than any other kind of people, and yet they are so little expert in their own business, they are so regardless of the interests of the people they are elected to represent, that scarcely two of them can agree upon what they mean in any particular piece of legislation. Both employer and workman now desire that the laws be unified, the kinks and contradictions straightened out, and the intent, if possible, made plain.

Justice Riddell unblushingly declared yesterday, calling on Lord Finlay and all high legality to witness, that he was not concerned with the morality of a decision, but only with the law of it. Perhaps this is behind the evident feeling in the country that there should be more practical men and fewer lawyers representing the people.

It is no slight to a lawyer to say that he has not the same opportunity for practical business experience that a man fully trained and devoting all his time to business, enjoys. Some lawyers have the business gift, and after long experience are wide-awake in business matters. But the business advice of a man who is merely a lawyer is not necessarily sound.

In legislation there should be sound morality and sound business sense or our statutory law cannot itself be expected to be sound.

OVER HERE, TOO

After enlarging upon the natural attractions in Minnesota and the general prosperity throughout the state, the Minneapolis "Tribune" says:

"What then is the matter with Minnesota?

"Nothing.

"Nothing but a few people who make a living by preaching discontent; who have never earned success themselves and are just plain envious at the sight of those who have; who prefer the red flag to 'Old Glory' and who resolve in conventions in favor of Russian Bolshevism in preference to American democracy; who would tear down our whole system of society if they could; who would break up the home and degrade womankind; who are not reformers, but destroyers and who would overthrow civilization itself that they might prey upon the ruins—just as the rabble did in Boston recently when civilization broke down there for a day."

Even the most conservative French newspapers have started a campaign for the resumption of commercial relations with Germany on a large scale as soon as the state of war is proclaimed to be at an end.

RSC INVESTMENT-SERVICE

"Render Unto Caesar—"

It is all very well to "Render Unto Caesar the things which be Caesar's"—but that's no reason for paying more taxes than you have to.

If you want to know what exemptions and deductions you are entitled to under the Income Tax Law, or the exact portion of your income you should pay taxes on, send for our booklet entitled: "The Income Tax and The Average Man."

It is worth reading.

You may have a copy for the asking. A letter or postal will bring it.

Royal Securities CORPORATION LIMITED
MONTREAL
Toronto Halifax St. John London, Eng.

The New Victory Loan

Particulars will be announced October 27th. We will, as before, be ready to do anything possible to make it easy for you to subscribe.

Our instalment plan whereby you can secure bonds for an initial payment of $10.00 and monthly payment of $5.00 per $100.00 bond is again offered to help large and small buyers to take all they can.

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the duty he owes to his wife and other members of his family to see that each one of them is provided for after his decease as well as before, but in many instances omits to make such arrangements as will ensure his and their affairs being properly managed after his demise. The appointment of this Company as Executor and Trustee under your Will will safeguard and relieve them of duties which might prove onerous to them. Interviews and correspondence invited.

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Investors' Information Bureau

Any subscriber to THE POST may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail. This service is free to subscribers, but inquirers should enclose stamp for reply.

NEWS OF THE BOND MARKET

BIG MOVEMENT IN VICTORY BONDS DURING THE WEEK

Total Sales Now Are Well Above Five Million Dollars

THE BIG CAMPAIGN

The Objective is Now $500,000,000 With the Workers and They Hope to Go Well "Over the Top"

There has been heavy trading in Victory Bonds and other Dominion bonds during the week, the movement evidently being a clean-up prior to the new issue, large holders such as municipalities, institutions and corporations taking advantage of the premiums on their holdings to take profits and reinvest. They are not affected by the fact that the new issue will be subject to income tax. It is understood that the committee is controlling the price situation, but there are also evidences that large individual investors are attracted by the tax exemption feature, an advantage which, in the future, will undoubtedly establish a substantial premium on these issues in the future. The transactions for the week ending October 16 totalled over $5,600,000 as follows:

VICTORY LOAN

Week Ending Oct. 16

1922	$512,150	at	100¾	to	100⅛
1923	404,900	at	100¼	to	100⅛
1927	151,800	at	102⅛	to	102
1933	3,645,500	at	103⅞	to	103¼
1937	728,250	at	104⅞	to	104⅝
WAR LOAN					
1925	$42,500	at	97¾	to	97⅝
1931	92,200	at	99	to	98¾
1937	74.200	at	100⅝	to	100¼

During the trading the prices held comparatively firm, indicating the influence of the committee. Comparative figures are given as follows:

VICTORY LOAN

	High Week 3rd	High Week 10th	Low Week 3rd	Low Week 10th
1922	100½	100¾	100	100⅛
1923	100⅝	100¼	100	100⅛
1927	102⅛	102⅛	101¾	102
1933	103¾	103⅞	103¼	103¼
1937	104⅞	104⅞	104⅝	104⅛

Otherwise the conditions in the bond market have been unchanged from the past several weeks, the business being of an over-the-counter variety to meet the needs of buyers attracted by the present generally low price levels.

Reports from New York indicate that the American market has also been dull recently. The "Bond Buyer" reports an almost entire absence of large bond offerings by states or important cities. At the same time the absorption of municipals by investors continued, with the result that dealers' lists have been considerably depleted. Sentiment is described as optimistic with the expectation of a big market during the next six months.

On With the Campaign

In the meantime the great Victory Loan campaign proceeds apace, and with progress comes optimism. The feeling of diffidence which was noted in many quarters a few weeks ago has entirely disappeared. The workers realize that in some respects the results will come harder than in the past but the fight is on and the fighting spirit is up. Any doubts as to obtaining the $300,000,000 objective are vanishing. In fact the basis of the quotas upon which the workers are campaigning is $500,000,000, and it is hoped to go "over the top" with considerable momentum. The public appreciation of the necessity for making this loan the success which others have been is evident, but there will be the necessity of carrying this conviction to all Canadians and the workers appreciate that to do this now that the war is over will require all the punch they possess.

Across Canada plans are maturing, and when the salesmen actually start their work their efforts will be accompanied by many publicity efforts covering all the old stunts and many new ones. The criticism of stunts which has been heard in the past may still be offered, but the psychologists among the organizers believe that it is necessary to reach the great mass of the people.

The decision of the Finance Department to again stabilize the market will be an important factor in establishing confidence with both large and small subscribers—the former particularly because it gives them an opportunity to go their limit with assurance that they will be able to liquidate a portion of their subscription if necessary.

The prospects in connection with large loans are already very satisfactory. Unsolicited applications are already being received. In the rural sections it will require the actual test of salesmanship to show results, but it is believed that the education of past campaigns, together with a thorough canvass, will make the farmer a very creditable factor in the results. Industrially there will be some changes in the campaign due to the fact that munitions plants have closed, but labor has been elsewhere absorbed at generally high wages, and there is no reason to believe that the results will be disappointing. The Canadian Manufacturers' Association offers the following advice to its members:

From the experience of previous loans, employers must realize that it is a good thing to have the worker of the country participate in these Government flotations. In these days of unrest, the stabilizing influence latent in the possession of Dominion Government bonds is valuable. Subscriptions encourage thrift and thrift is a laudable virtue at all times and particularly in the present abnormal period. Possession suggests responsibility and where there is responsibility there need be little fear of revolution. From every angle there is benefit attaching ta participation in Government flotations and we believe that the members of the Canadian Manufacturers' Association will not be behind hand, both as regards personal and company subscriptions, and advice and encouragement given to their employees in connection with the loan.

A NEW BRUNSWICK ISSUE IN DECEMBER

Will be to Refund $2,000,000 of Short-Term Bonds — Ontario Issue in Chicago

A wire to THE FINANCIAL POST from the Comptroller-General of New Brunswick announces that a provincial issue will be made in December. This will be for the purpose of refunding the issue of $2,000,000 of short term bonds falling due on the 1st of December. "Particulars will follow later," concludes the "Telegram."

In connection with the purchase on joint account by the First Trust and Savings Bank, the Continental and Commercial Savings Bank, and Bond and Goodwin, of $3,000,000 Province of Ontario 5½ per cent. discounted notes, a Chicago report says that as the notes were purchased on a 6 per cent. basis and their maturity is so short, it is probable that the two banks will retain their allotments in their investment accounts. The proceeds of the notes were used to refund a maturing issue of five-year bonds.

CITIES LIKE VICTORYS

Municipalities Will Make Investments of Large Funds

The forthcoming issue of Government bonds will form a very attractive proposition to municipalities for the investment of available sinking fund and other surpluses. A number of cities have, in fact, been taking advantage of the prevailing premiums for previous issues to liquidate holdings and thus increase their applications in the new issue to the extent of their profits. When the matter of a subscription was considered by the Hamilton Board of Control on Tuesday there was a recommendation by City Treasurer Leckie that the sum of $350,000 be invested. The controllers, however, were willing to go the treasurer one better and requested him to endeavor to find out if a larger amount could not be made available.

VOTE ON GAS FRANCHISE

Regina Company Seeks Contract to Supply Natural Gas

At the end of the month Regina will vote on the question of granting a franchise to a company that is being organized to supply natural gas within the city limits. The contract gives permission to the gas company to construct mains in the city and to supply gas for twenty years. If within that time one field of gas is played out the company must find another, with which to keep the citizens supplied. The estimated cost of gas is given at 30 cents per thousand cubic feet.

BRITISH FINANCING

No New Issue Expected Until After First of Year

NEW YORK.—The rumored British Government financing for the purpose of refunding $134,000,000 United Kingdom notes due November 1 does not materialize. Reports now indicate that the investing public would not be asked to take any new British issue until after the first of the year, at least.

On October 15, 1920, the Anglo-French loan of $500,000,000 matures and other French and British obligations must be cared for during the next year or so. Both of these countries are understood working out rather comprehensive financial programmes which will take care of obligations on this side of the water for a number of years.

The assessment figures for the City of Ottawa show an increase of $6,486,638 over last year's amount. This year citizens will pay taxes on an assessment of $120,878,899.

Argentina has extended a two-year credit of $200,000,000 at 5 1-2 per cent. to England, France and Italy for the purchase of food products.

U.S. FARM BANKS SCORE EXEMPTION OF GOVT. ISSUES

Opposed to Democratic Principles, They Declare at Chicago

UNFAIR TO INDIVIDUAL

Legality Federal Farm Loans Act Will be Challenged by Test Case, President Maxwell Says

Tax exemption as it relates to federal or other governmental securities and to farm loans under the recently passed United States Federal Farm Loans Act, was severely criticized at the convention of the Farm Mortgage Bankers' Association in Chicago. Tax exemption and the application of progressive rates of taxation of incomes are utterly antagonistic to each other, declared Prof. George Putnam, of Washington University, who stated that tax exempt securities always tended to become concentrated in the hands of those whose incomes were the largest and who should pay the highest rates of taxation. This meant larger losses to the public treasury than should be allowed under any system of taxation. Prof. Putnam said:

"It is idle to think of the abandonment of progressive taxation. That institution is now firmly established in all the important European countries; it is universally recognized as the only means by which the tax burden may be made to conform to the individual's ability to pay; in short, it is the product of the forces that have made for democratic government, while tax exemption is a remnant of absolute monarchism. If, therefore, the tax system is to be equitable, if the ideals of democratic government are to be maintained, it is time to call a halt to the present policy of tax exemption."

Gives Government Monopoly

Kingman N. Robins declared that exemption from taxation of the securities of State and Federal Governments and governmental agencies, such as Federal Farm Loan Banks, forced a governmental monopoly of banking. Mr. Robins declared:

"This forced reliance on Government aid, and subjection to government control tend to eliminate initiative and enterprise, which are the genius of our institutions. This situation is brought about through the fact that private companies and individuals can not compete in the investment market against government agencies whose borrowing are tax exempt."

It was stated by J. E. Maxwell, of Kansas City, president of the association, that a test case had been taken into the court to test the constitutionality of the Federal Farm Loan Act. The act, he said, made it possible for the 7,269 building and loan associations in the country to have their entire assets, totalling $1,769,142,175, and one-tenth of their capital, amounting to $1,503,000,000, exempted from all taxation, federal, state and municipal, simply by turning over their assets to the Government for use as collateral. It meant boosting private companies at the expense of public funds.

SELLING THEIR VICTORYS

Victoria Will Re-invest in British Columbia Government Bonds.

Victoria, B.C., has authorized the sale of $50,000 of 1933 Victory Bonds held by the civic treasury and the reinvestment of the proceeds in Province of British Columbia bonds. At the market price of 104 for the 1933 bonds there will accrue to the city a nice profit, which the city authorities expect will be further enhanced by the fact that the British Columbia securities, which mature in twenty years, are payable at par in New York. The realization of this extra profit, of course, depends upon the premium on New York funds continuing for the next twenty years.

SASKATOON'S FINANCES

Utilities Show Profit and Sinking Fund Is Paid Up

After allowing for all fixed charges, including depreciation, sinking fund and interest, the three public utilities in Saskatoon, street railway, light and power, and waterworks, show a profit of $4,951.74 for the half year ending June 30, 1919, it is stated by C. J. Yorath, city commissioner. The same utilities have shown a profit each year since 1913, in spite of increases in the rate of wages, cost of materials, etc., while rates charged for electric light, power and water are lower than in 1913. There has been no increase in street railway fares.

The city's sinking fund is in an equally satisfactory condition. At December 31, 1918, the entire amount, $1,421,318, was paid up and invested in Dominion, Provincial and City bonds.

R. C. Matthews & Co.

Canadian Government Bonds

Investment Securities

C.P.R. BLDG. TORONTO

Your Savings

To provide for your old age your savings should be safely invested in good Bonds.

The coming Victory Loan will offer a splendid opportunity for you.

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FIRST MORTGAGE Industrial Bonds

Maturing 1920 to 1934

Secured by assets 4½ times the total bond indebtedness. Net earnings for 1918 equal to nine times the bond interest.

TO YIELD 7%

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Bank of Hamilton Bldg., Hamilton, Ont.

The Best Executor

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is always available

is financially responsible

is satisfied with moderate compensation, and

is experienced in all the duties of estate management.

We meet all these requirements. Write to us.

The Toronto General Trusts Corporation

Head Office: Toronto

Branches: Ottawa, Winnipeg, Saskatoon, Vancouver

VICTORY LOAN 1919

"... My aspiration is.. that the final war financial effort of this country shall be as completely successful as the final effort of our boys overseas."

—*Sir Henry Drayton*

RENE-T. LECLERC
INVESTMENT BANKER
160 St. James Street, Montreai
(Established in 1901)

"Shall I Build NOW?"

If you are thinking of making extensions or additions to your plant during the next two years be sure to read

BABSON'S

Barometer Letter of Octobor 14th containing facts of vital interest to every manufacturer contemplating such extensions.

Report on Request

Write on your letterhead for a copy of this special letter, "*Shall I Build Now?*" and full details of Babson's Service for Executives—a service that is saving millions of dollars for over 8000 of America's ablest executives.

Merely Ask for Bulletin 29-H of the

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IT IS THE DUTY OF EVERY EARNEST CANADIAN NOT ONLY TO INVEST HEAVILY IN VICTORY BONDS, 1919, BUT TO WORK AMONG HIS NEIGHBORS TO MAKE THE LOAN A SUCCESS.

Housser, Wood & Co.
INVESTMENT BANKERS
10-12 King St. East, Toronto

Tenders Wanted

TENDERS will be accepted up to October 25th by the Secretary of the Rural Municipality of Spirit River No. 829, at Spirit River Station, Alberta, for the sale of $30,000.00 worth of fifteen-year debentures, bearing 6% interest.

A. INNES,
Secretary,
Rural Municipality of S. R. No. 829.

UNLISTED BONDS AND STOCKS

If you have any to sell, we will be pleased to make you a bid, or should you wish to buy, an offering.
The latest reliable quotation on any unlisted security furnished free on request.

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MEMBERS MONTREAL STOCK EXCHANGE
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TELEPHONE MAIN 5173

FIELD OF MUNICIPAL FINANCE

WANT PROVINCIAL REVENUE FOR TAX ARREARS IN B.C.

Municipalities Ask Province to Bear Cost of War Relief Act

CRITICISM HEARD

Industrial Commissioner Tells of Possibilities in the Coast Provinces—One Firm Makes Toys From Mill Waste

By Special Representative

VANCOUVER.—At the concluding session of the Union of British Columbia municipalities held in North Vancouver this week, the delegates chose Nelson as their meeting place for next year. Many important matters with respect to taxation and the better government of municipalities were under discussion and several important resolutions were adopted which will be the basis of special committee work and possible legislation during the year. The Provincial Government came in for a good deal of criticism during one of the sessions following the introduction of a resolution from Victoria that the provincial authorities secured the major part of the distribution of taxes. The imposition of the five dollar income tax by the Government, together with the amusement tax, were the subject of attack, several speakers taking the attitude that the Government was illogical in assuming that taxation that is only made possible by the amenities provided by cities should be taken away from those cities. This matter will officially be brought to the attention of the Government at Victoria.

The question of tax arrears on soldiers' lands also occupied a considerable time of the convention, it being pointed out that the proposed exemption, unless otherwise provided for, would work a hardship on patriotic municipalities which had sent large numbers of its citizens to the front, while other districts where the drain was not so heavy would be enabled to collect the major part of its taxes. A special committee was appointed to deal with the matter as well as the taxation of railway lands, and following resolutions passed:

"That the Provincial Government be asked to take into consideration the question of arrears of taxes which have accumulated under the War Relief Act and that if it is decided that any relief should be granted to the taxpayers in respect of such taxes, that this should be a charge upon the provincial revenue."

The feature of another session of the convention was an address by Major D. B. Marty, the recently-appointed provincial industrial commissioner, who graphically portrayed the future of the province from an industrial standpoint. He told of the formation of one company which was now making toys from mill waste, thereby filling a market which had previously been occupied by Germany. Mill waste of which from five to fifteen thousand tons were burned daily in the province would also be used for the production of alcohol, of which Canada consumed 5,000,000 gallons per year. Capital was already coming into the province for this purpose. A British syndicate was considering the establishment of a factory for the tanning of bark. Two or three other concerns were contemplating the erection of new paper mills. In connection with mining, he said that an English company had experts at work on Vancouver Island looking into the possibility of working their process of producing radio-active fertilizer by the utilization of coal dust.

WESTMOUNT TAX RATE

Westmount's tax rate next year will be twelve mills, which is one mill higher than the 1919 rate. The total assessment on which this rate will be levied is $44,873,000. Higher labor costs, for firemen, policemen, etc., are the causes of the increased rate.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Oct. 25, Municipality of Spirit River—$30,000, 6 per cent., 15-year debentures.—A. Innes, Secretary, Spirit River Station, Alta. (See announcement on page 13.)

Nov. 24, Renfrew.—$17,500, 6 per cent., 30-year, waterworks debentures.

Oct. 24, Fitzroy Township, Ont.—$3,000 6 per cent., 15-instalment school debentures.—Wm. Boyle, Clerk, Fitzroy Township, Kinburn, Ont.

BY-LAWS TO BE VOTED

January, London, Ont.—$50,000, for replacing the Ridout street bridge; $100,000 for new reservoir.

Nov. 10, St. Mary's, Ont.—$1,000, for soldiers' club house and monument.

Nov. 28, Winnipeg.—$600,000, for municipal milk depot bonds.

BY-LAWS PASSED OR DEFEATED

Hanover.—$30,000 for purpose of rebuilding flour mill, carried by a vote of 287 to 56; $3,500 for construction of drain, carried by vote of 294 for and 50 against; $10,000 for the project of a park. Carried by a vote of 261 for and 73 against on October 6.

Capreol.—$8,000 for erection of fire hall; $2,000 for erection of market building. Passed by ratepayers on Sept. 20.

Vancouver.—$511,500 for school purposes; $10,000 for road work, etc.; $176,000 for repair of Connaught bridge, etc. Defeated by the ratepayers on September 30.

DEBENTURE NOTES

Campbellford.—At the last meet of Campbellford Town Council a motion was carried authorizing the Town Solicitor to prepare a by-law to raise by debentures $69,000 for the purpose of building a new high school, and to have the rate of interest 6 per cent., and the term thirty years.

Hamilton.—Payment of $5,000 by the city, which was to be contingent upon the Children's Aid Society raising $25,000 for alterations and additions to the present shelter, was recommended by the Board of Control recently. Notification was received from the society that the necessary $25,000 had been raised.

Stratford.—The Park Board proposes spending $25,000 on improving and enlarging the city's park system next year and will ask the council to submit a by-law to the people at the next municipal election to raise this amount.

Port Arthur.—The city expects to be in the market about next January with an issue of bonds to the amount of approximately $300,000.

At a recent meeting of the City Council a communication was read from the Hydro-Electric Commission stating that the commission could not see its way clear to approve the issue of debentures amounting to $80,000 on capital expenditure to apply to extensions to the electric light and power departments.

HYDRO BY-LAWS

Pickering Township gave an overwhelming majority to the by-law in connection with the Toronto and Eastern Electric Railway, casting 472 votes in favor of the proposal, and only 34 against. Over 50 per cent. of those on the voters list cast their votes. The percentage majority is the highest ever given a Hydro radial by-law in Ontario, it is said.

At a meeting of Scarboro Township Council recently it was decided to submit a by-law on the building of the Toronto and Eastern Railway through that township to the ratepayers on Nov. 22. Hydro-radial construction to be made if the by-law carries will amount to eight or nine miles.

SASKATCHEWAN

The following is a list of authorizations granted by the Local Government Board from September 20 to 27:

Rural Telephone Companies.—Dewar Lake, $520; Willows, $16,000; Round Lake, $3,500; Idaleen, $4,100; View Grand, $4,000; McLaren, $14,200; Fern Glen, $4,000; Range Line, $3,800.

School Districts.—xGreen Farm, $1,000; xTorporoutz, $1,200; xGolden Hill, $2,700; Ashmore, $800; xGeorgovia, $900; Carnagh, $3,000; xCentral Butte, $20,000; xBlack Diamond, $7,000; Rosthern, $7,000; xHarvard, $5,000.

Villages.—Verwood, $2,500, electric light plant; Riverhurst, $3,000, sidewalks.

Cities.—Moose Jaw, $40,000, extension to waterworks (Britannia Park).

xBeing sold by Local Government Board.

Following reported sold September 20 to 27:

Rural Telephones.—Wartime, $500, Wood, Gundy & Co., Saskatoon; Meadowvale, $9,000, Keddleston, $2,200, and Glen Morris, $2,700, Harris, Read & Co., Regina; Avonlea, $4,000, W. L. McKinnon & Co., Regina; Simcoe, $1,100, Bond and Debenture Corp., Winnipeg.

School Districts.—Simpson Village, $20,000, Great West Life Assur., Winnipeg; Alfred Knowles, $3,500, Bond and Debenture Corp., Winnipeg; Markinch, $22,500, Great West Life Assur., Winnipeg; Riverhurst, $6,000, Regina Sinking Fund Trustees; Federal, $3,000, Great West Life Assur., Winnipeg.

Cities.—Moose, $161,000, Wood, Gundy & Co., Saskatoon.

Towns.—Qu'Appelle, $8,000, sold locally.

BOND SALES

$500 Asbestos at 78; $1,300 Cement at 99¾; $1,000 Cedar Rapids at 87; $500 Dom. Canners at 93; $1,600 Montreal at 101½ to 100½; $1,500 Montreal Tram. debs. at 70; $1,000 Nat. Breweries at 100; $1,000 Ogilvie at 100; $5,000 Penmans at 90; $100 Quebec Rly. at 63; $500 Steel of Can. at 97½; $7,500 Wayagamack at 85¼ to 85; $512,150 Victory Loan (1922) at 100¾ to 100⅛; $404,900 (1923) at 100¼ to 100⅛; $151,800 (1927) at 102⅛ to 102; $3,645,500 (1933) at 103⅞ to 103¼; $728,250 (1937) at 104⅞ to 104⅝; $42,500 War Loan (1925) at 97¾ to 97⅝; $92,200 (1931) at 99 to 98¾; $74,200 (1937) at 100⅝ to 100¼.

OTTAWA MEETING SEES IMPORTANCE OF LITTLE THINGS

Town Planning Must Pay Attention to Details, Experts Say

WIDTH OF STREETS

Size of Building Lots, Length of Blocks, Proper Zoning Count for a Great Deal

OTTAWA.—That town-planning is not so much a matter of drawing a series of geometrical designs and calling it the plan for an industrial centre, a garden suburb, or a residential subdivision, as scientifically determining the proper widths for each class of street according to its traffic, finding out the most convenient size and shape for building lots, economically utilizing street areas for utilities; classifying areas for different purposes—in short, watching the details—is the impression one would get from the speeches delivered at the Town-Planning Conference in Ottawa this week.

The program was arranged by the American City Planning Institute and the Town Planning Institute of Canada, and practically all addresses were of a technical nature, aimed to provide actual plans to work from rather than theories from which plans would still have to be developed.

In reporting on "Zoning," Edward M. Bassett pointed out that zoning did not mean condemnation of buildings that did not conform to general requirements of the neighborhood. Zoning restrictions must be applied at the beginning of the development of an area and if applied to build up areas would have to be confined to matters over which the police have control—health, safety, morals and general public convenience, which included fire risk, lack of light and air, congested living quarters and disease-promoting conditions.

Four Kinds of Streets

In a report on streets, B. A. Haldeman classified all thoroughfares into four classes, and he designated the proper widths for such streets as follows:

"Main streets will form the principal routes for the immediate or future use of large volumes of mixed traffic moving between important centres within a community or from community to community—108, 128 or 148 feet.

"Secondary streets will be those of lesser traffic importance supplementing the main streets and serving to distribute mixed traffic to and from the latter and between centres of lesser importance—60 or 80 feet.

"Minor streets will be those laid out for purely local traffic use or to facilitate the subdivision or development of property—12, 20, 40 or 50 feet.

"Special service streets will be those designed and laid out for special purposes and restricted to special uses. Variable."

Blocks Should Be Generous

Speaking on block lengths, Arthur C. Corey said:

"Block lengths are controlled by the needs of traffic, both vehicular and pedestrian, and by factors of safety. Experience shows that in residential areas blocks 600 to 700 feet long cause little dissatisfaction. Shorter blocks are wasteful of land in cross streets. Blocks longer than 800 feet are found to cause undue detours in going from one side to the other."

Mr. Corey was opposed to rows of houses containing more than seven of the same type in a group. Not only were inordinate lengths unpleasant architecturally, but they were dangerous fire risks and decreased ventilation in the block.

HYDRO RADIALS

Purchase of D. U. R. Lines in Canada Part of Beck Scheme

Application has been made by the Hydro-Electric Power Commission to the Ontario Government for two orders-in-Council to permit of further steps being taken in conection with the proposed system of radial railways in the Province. The one order-in-Council is to permit the Commission to enter into negotiations with the Detroit United Railway for the acquiring of the properties of the Sandwich, Windsor and Amherstburg Railway Company and the Windsor-Tecumseh Company, which also include the electric distribution systems in the municipalities of Windsor and Sandwich. The amount involved is over $2,000,000.

The second order-in-Council is to enable the Commission to have by-laws submitted to the electors of the several municipalities on the line of the proposed railway from Hamilton to Elmira via Galt, covering the estimates and agreements for the construction and operation of the line.

WE OWN AND OFFER:

Amount	Security	Int. Rate	Maturity	Price to Yield
$40,000	Grand Trunk Pacific .... Guaranteed by Province of Saskatchewan.	4%	1939	6%
$25,000	Grand Trunk Pacific .... Guaranteed by Dominion of Canada.	3%	1962	5½%
$25,000	Canadian North Western Ry..... Guaranteed by Province of Alberta.	4½%	1942	6⅛%
$50,000	Province of Alberta	4%	1922	6¼%
$30,500	City of Lethbridge	4½%	1939	6½%
$10,000	City of Edmonton School	5%	1953	6½%

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"......and I thank you for so carefully carrying out my instructions which I appreciate very much."

—Extract from a letter from a gentleman who placed important business interests in our hands before leaving for Florida for the winter.

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CITY OF EDMONTON
Debentures called for Payment

The Holders of the undermentioned debentures are hereby notified that the City proposes to exercise its option on the next Interest Due Date, of taking up all outstanding debentures of the following series:

Issued Under By-Laws.		Series	Maturity	Next Interest Due Date
683		A	July 1, 1920	Jan. 1, 1920
684		B	July 1, 1920	Jan. 1, 1920
700 and 3	1918	C	July 3, 1922	Jan. 3, 1920
27	1918	F	July 15, 1923	Jan. 15, 1920
2	1919	G	Feb. 15, 1924	Feb. 15, 1920

And take notice further that the above Bonds will bear no Interest after their next Interest Due Dates respectively.

Please Ask Questions

IF you, as a subscriber to THE FINANCIAL POST, desire information on any Canadian security, or other financial matter, you have the privilege of requesting it from the publishers of THE POST. Enquiries are treated confidentially and are answered by mail. Please enclose stamp for reply.

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL FIRE INSURANCE COMPANY

MONTREAL

Authorized Capital	$2,000,000.00
Subscribed Capital	1,000,000.00
Paid-up Capital	247,015.79

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Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
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LIFE INSURANCE AS PROTECTION

The motive that prompted the inventors of life insurance was the desire to furnish protection. Savings and investments are invaluable accompaniments, but the feature that sells life insurance is protection. That company confers the greatest benefit upon its members that gives "the greatest amount of genuine life insurance protection for the least possible outlay." This aim has ever been the guiding star of the Mutual Life Assurance Company. Following out the principle of co-operation as the Mutual has done means that the company allots the whole of its profit, from all sources whatsoever, to the policyholders, thus reducing their expense for insurance to actual cost—the only Canadian company operating on this principle. The experience of the Mutual has fully justified the hopes of its founders who fifty years ago planned the institution on the basis of

CO-OPERATIVE SERVICE.

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Reserves	964,459.39
Assets	7,086,695.54

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THE
CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,468,523.08

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INVESTORS' INSURANCE NOTES

COMPANIES PLAN TO CUT OFF MANY EXCESS BENEFITS

Health and Accident Insurance Rates Due for Revision Soon

TOO MANY "FRILLS"

Influenza Epidemic, With Its Attendant Heavy Losses, Has Paved the Way for Concerted Action

There will probably be a general revision of rates and policies in connection with sickness and accident insurance in the near future. Representatives of the companies which write this class of insurance in Canada have held several meetings lately at which the matter has been discussed and the opinion is general that health and accident insurance must be brought down to as solid an actuarial basis as any other class of insurance if the casualty companies are not to continue to lose money on it. Though the effects of the influenza epidemic, which hit many of the companies rather hard, have brought the necessity for a revision of rates and policies more clearly before the companies, the matter has been pending for some time. Thoughtful insurance men have foreseen that the competitive and rather haphazard methods of writing health and accident insurance that have prevailed in the past could not continue indefinitely.

The first step, undoubtedly, will be to cut out what are known as the "frills." The ordinary policy at first consisted of an agreement by the insuring company to pay a certain sum in event of death by accident, smaller sums for the loss of an eye, an arm, or a leg, etc., and a weekly indemnity for sickness, or time lost as the result of an accident. The rates were quite uniform among all the companies and were about $60 a year where the weekly indemnity was $25 for total disability, half that for partial disability, and the life insurance $5,000. But as new companies entered the field they began to add extra benefits to these. Indemnities were doubled where the accident occurred in an elevator or on a train, and triple indemnities were allowed by some companies if the insured were hurt while riding as a passenger in an elevator or on a train.

Some of the "Frills"

A typical policy now adds surgeon's and doctor's fees, hospital bills, and a number of other such "frills" to the benefits. Several companies insure the beneficiaries for large amounts without extra cost and one company went so far as to insure the children and other near relatives of the person named in the original policy. All these extra benefits were given with no increase in the rate, which itself was hardly sufficient to cover the original scale of benefits, when viewed from a strictly actuarial standpoint.

Reference to the figures contained in the Canadian annual report of the Superintendent of Insurance for Canada for 1918 will show how the companies have fared under this system of competition. The total premiums received during the year for sickness insurance were $1,567,255. Losses incurred were $1,415,518. Even allowing a generous amount for losses which might be successfully resisted, it is clear that the small margin allowed the companies was not enough to pay their current expenses. Seven companies actually paid out more than they took in. The figures are not so bad for accident insurance or for the combined accident and health policies. In the first case, premium income was $1,797,738 and losses incurred, $662,640. In the second premium income was $915,662 and losses incurred, $609,845.

It stands to reason that if the insurance companies are losing money on accident and sickness insurance, they must make it up some other way. Either their shareholders lose out or those who take out the other forms of casualty insurance written up by the same companies must pay the difference. Either arrangement is equally poor business and the companies realize that only a general paring down of excess benefits and a revision of rates will make health insurance popular again.

A hundred acre farm just outside of Bronte, near Hamilton, has been sold to Fong Yung, a restaurant proprietor in Hamilton for $36,000. The new owner intends to utilize the farm for the production of vegetables and small fruits for his tables, and also for sale on the local market.

DEVISE GROUP SCHEME

Canadian Companies Will Attempt To Meet Competition

There is a possibility that Canadian life insurance companies may attempt to devolve a scheme for writing group insurance, in competition with several American companies who are now advertising that they will write group insurance in Canada. The law as it now stands provides that if a group insurance policy is written in this country at a reduced rate, the same rate must be extended to every private individual engaged in a similar occupation, whether employed by the company taking the policy or not. American companies coming into Canada may write group insurance without this provision providing the entire business arrangements are made on the other side. One American company, at least, however, intimates that it intends to write group insurance in Canada, and will thus become subject to the Canadian Act. To meet this competition Canadian companies will probably get together on a scheme for writing group insurance, even with the present Act in force, and several of them have their actuaries looking over the field.

U.S. COMPANIES FAVOR FARM MORTGAGES

Largest Share of American Insurance Firms Assets Invested Thus

The tendency of the larger American insurance companies to invest in farm loan land mortgages was pointed out by Robert Lynn Cox, third vice-president of the Metropolitan Life Insurance Company, speaking to the Farm Mortgage Bankers' Association at Chicago. The total assets of American insurance company's totalled six and a half billions of dollars of which 75 per cent. was invested in real estate mortgage loans and in railway, public service, federal, state and municipal bonds, the remainder being divided among loans to policyholders, real estate holdings and corporation stocks, said Mr. Cox, adding:

"Real estate loans still lead in the race for the largest share of our assets, but a distinct change has appeared in the division between loans on farm properties and loans on city properties. This change is a marked tendency towards farm loans. In the two-year period ending December 31, 1916, which is the latest for which statistics are available, the insurance companies increased their holdings in farm loans from $675,000,000 to $845,000,000, a 29 per cent. increase. The same period showed a reduction of 2 per cent., or $20,000,000 in other real estate mortgages."

This state of affairs was due to economic changes, said Mr. Cox. While building and construction work in the cities had fallen off, the demand for food products had led to enlarged agricultural activity, which naturally brought farm lands into the limelight.

MARRIED FOLK PAY MOST

Family Heads Pay Larger Part of American Income Tax

Four persons in the United States received net incomes of $5,000,000 or over in 1917, according to the statement of the Bureau of Internal Revenue. More returns of taxable income were received from people receiving between $3,000 and $4,000 a year than from any other class. There were 356,437 in the $3-4,000 class, and the average tax paid was $27.50. There were 311,525 people receiving between $2,000 and $2,500 a year and the average tax they paid was $11.37.

Married folk pay the larger part of the income tax, the figures show. There were 1,450,723 married couples paying taxes on incomes totalling $8,390,000,000. There were only about 250,000 returns from single persons, not heads of families.

FUTURE OF B. C. MINING

American Capitalists Look Favorably to Coast Province

By Special Representative.

VANCOUVER.—Having the distinction of being the largest individual land owner in British Columbia, J. H. Nowell, of St. Paul, who has extensive mining interests in the Kootenays, arrived in Vancouver this week following an inspection of certain properties in the interior. He owns 420,000 acres of land which is a part of the 620,000-acre grant to the Nelson and Fort Sheppard Railway from whom the land was bought.

Mr. Nowell is greatly encouraged over the mining prospects in the Kootenays, and states that the installation of the big new concentrating plant by the Consolidated Mining and Smelting Company has given tremendous impetus to the development of small claims in the vicinity of Trail and Rossland. There was no province in the Dominion so favorably regarded by American capitalists who were interested in mining, as British Columbia. He prophesied great activity in mining in this province in the course of a year or two.

FARM LANDS RISE IN VALUE 60 P.C. IN MIDDLE WEST

Iowa Bankers See Continuance of New Scale of Farm Values

IS NOT INFLATION

Average Through the Middle Western States is 60%, While Some Have Even Doubled in Price

Reports from Western Canada concerning the influx of American settlers into Canada that has featured the immigration statistics for the year to date, state that the high price of farm lands in the United States has been the chief reason for American farmers coming to Canada. For this reason, and because American land values are likely to be reflected in this country, Canadians will be interested in some facts and figures given to the Farm Mortgage Bankers' Convention at Chicago, by John A. Cavanagh, of the Des Moines National Bank. Mr. Cavanagh said that farm land values in the Middle West have increased an average of 60 per cent. during the past year, and he stated his opinion that the increases were not the result of inflation but would be permanent.

The Iowa State College of Agriculture, said Mr. Cavanagh, found that in 70 of Iowa's 99 counties, farm lands increased 60 per cent. in six months. In more than 50 of the counties the average price is now $300 an acre or more, while the advance for the six-month period was $100 an acre, Mr. Cavanagh added:

"Few parts of the country failed to see a very appreciable advance in farm land values in 1910. The increase ranged from 35 to 75 per cent. throughout the Middle West.

Up $100 an Acre

"I have personal knowledge of farms in Iowa, Illinois and Minnesota, which increased in price $100 per acre in 90 days last summer. I personally know of farmers who sold their land for $250, $300 and even $350 an acre, making a handsome profit, only to repurchase the same farms later on at an advance of $25 to $50 an acre, paying $10,000 to $15,000 to get their farms back. There is no doubt denying that an increase in land prices, such as was never known before, has been seen all over the country."

That these values would continue was the contention of the speaker. He pointed out that from Europe there is a great demand for food products, that prices are generally higher than ever before, and that farmers had gone in for intensive and scientific farming to an extent that would increase the productivity of their lands. "The farmer realizes that he must be a $500 farmer on $500 land," said Mr. Cavanagh.

VANCOUVER REAL ESTATE

Property Not Booming, But Values Are Generally Better

The housing shortage in Vancouver, which has convinced people that they must build if they are to secure house room at all, has quickened the market for vacant building lots in that city. One real estate firm reports the sale of three vacant lots in a good part of North Vancouver that has been lying idle since 1912.

There is also considerable inquiry for good building property within the city limits.

The real estate managers of two large mortgage corporations in Vancouver express themselves as quite pleased with the situation, with property generally climbing back towards old values. Real estate is not by any means booming, but conditions are very fair indeed, with the task of supplying the demand for renting homes occupying most of the time of real estate people.

REFUSED $100 AN ACRE

Stettler District Sees Farm Land Values Much Increased

Every day new stories come East of the prices being paid for good farm lands in the West. One farmer near Stettler is said to have been offered $100 an acre for his farm, but turned the offer down. Other land in the vicinity has changed hands lately at prices ranging all the way from $35 to $90 an acre. The average price is about $40 an acre.

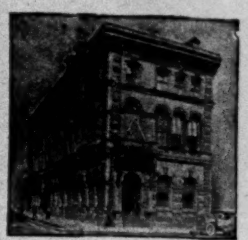
In the Stettler neighborhood crop yields have been especially good and have attracted large numbers of the American settlers who are coming into the West. Average yield in the district are: wheat, 40 bushels; oats, 60 bushels; barley, 35 bushels.

MUTUAL EXTENDS OFFICE

The new business written up this year by the Mutual Life Assurance Company has so increased the work at the head office of the company in Kitchener, that an additional office building will be erected immediately, adjacent to the present structure. In ten months of this year, the Mutual wrote up $32,000,000 of new business.

The London Mutual Fire Insurance Company

ESTABLISHED 1859



Assets	$639,691.53
Surplus to Policyholders	164,317.87

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Assets over	$4,000,000.00
Losses paid since organization, over	$45,000,000.00

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TRADE BALANCE SHOWS INCREASE OVER LAST YEAR

For Six Months Ending Sept. 30, is $127,674,000 Compared With $106,053,000

LAST MONTH LOWER

Was Only $19,000,000 as Compared With $67,000,000 One Year Ago—Both Exports and Imports Declined

Canada's favorable balance of trade in September fell far short of September of last year, comparing as, $19,479,394 to $67,269,220. The fiscal year to date, however, comprising six months from April 1 to Sept. 30, still is ahead of the corresponding period of last year, for the favorable balance of trade stands so far at $127,674,000, as compared with $106,053,000 at this time one year ago.

The totals for September of exports and imports and the figures for the six months of both years compare as follows:

	Exports	Imports	Fav. Bal.
Sept., 1919	$104,994,406	$85,515,012	$19,479,394
Sept., 1918	138,738,700	71,469,480	67,269,220
6 mos., 1919	579,443,000	451,769,000	127,674,000
6 mos., 1918	590,585,000	484,532,000	106,053,000
Fav. Bal. for Sept., 1919, compared with Sept., 1918			—$47,789,826
Fav. Bal. for 6 mos., 1919, compared with similar period, 1918			+$21,621,000

Six Months' Record

It is the general result rather than a single month's that should be taken into consideration in matters of comparison. It is true that the month of September, 1919, fell far short of Sept., 1918, in the preponderance of exports over imports, but in the six months to date of the new fiscal year September's credit balance exceeds that of April by $9,000,000, and that of June by $7,000,000, and is nearly equal to the $20,913,000 balance of May. It is exceeded on the other hand, by July with $29,505,000, and August with $35,207,000. Exports are so dependent upon shipping conditions that it is unfair to judge a single month by itself.

Following is a record of the exports and imports by months since the armistice:

1918	Exports	Imports	Fav. Bal.
Nov.	$119,161,003	$73,090,048	$46,070,955
Dec.	107,4[illegible]	73,341,265	34,133,136
1919			
Jan.	116,358,387	73,749,397	42,608,990
Feb.	82,899,483	64,117,126	18,782,357
Mar.	91,152,361	71,749,569	19,402,792
Apr.	64,489,159	54,255,219	10,233,940
May	92,258,687	71,344,816	20,913,871
June	87,348,952	75,015,479	12,333,473
July	113,787,099	84,281,499	29,505,600
Aug.	116,564,792	81,357,485	35,207,507
Sept.	104,994,406	85,515,012	19,479,394
Totals— 11 mos.	$1,096,488,730	$797,816,915	$288,671,815

The totals for 11 months are very close to those of a similar period one year ago. With the heavy shipments of munitions still going over at the end of the past year, the balance over imports naturally ran high, and for the five months to March 31st, 1919, amounted to $517,045,635 as compared with $579,000,000 for the six months since that time, that is, $103,409,000 as against $96,500,000 a month, while imports in the earlier five months were $346,047,405, or $69,209,000 a month, compared with $451,769,000 or $75,294,000 a month for the past six months.

Animal Products Much Higher

One of the largest items in the gross totals for the half year is "animals and animal products," which rise from $91,425,000 in 1918, to $148,167,000 this year. This is explained by the heavy demand from Europe for meat products in the past few months. To satisfy this heavy demand there had to be imported animals and products to the value of $42,187,000, or over double the total of $20,835,000 for the corresponding half year of 1918.

It was natural munitions exports made a big difference, this being the chief reason for a decline in "miscellaneous" from $149,701,000 to $35,586,000. Fortunately other exports increased, the $57,000,000 gain in animal products going far to compensate.

Taking up the detailed amounts in the September returns, it is seen that agricultural products are running well ahead, being $22,854,000 in place of $17,378,793, a gain of $5,500,000. Animal products are up nearly $8,500,000, and wood, paper, etc., nearly $10,000,000. But, "miscellaneous"—munitions chiefly—are down from $63,620,101 to $14,267,207; chemicals down from $7,340,000 to $2,591,000, and iron and steel reduced from $7,770,000 to $6,488,000. The following figures show in detail the classes of exports for the past month:

	Sept., 1919	Sept., 1918
Agric. prod.	$ 22,854,125	$ 17,378,793
Animal prod.	27,579,904	19,152,356
Textiles, etc.	2,331,756	3,021,474
Chemicals	2,591,881	7,340,154
Iron and steel	6,488,937	7,770,049
Other ores	4,216,074	5,997,633
Non-metals	2,626,419	1,988,696
Wood, paper, etc.	22,036,103	12,469,444
Miscellaneous	14,267,207	63,620,101
Totals	$104,994,406	$138,738,700

Back of Canada's Victory Bonds

WHEN you loan money you make sure the borrower is able to repay the loan and that he will pay you the interest regularly as it falls due.

When you loan money to Canada you know your money is absolutely safe.

Back of Canada's Victory Bonds is the entire wealth that Canada possesses—all her industries and all her resources in minerals, fisheries, forests and lands.

Canada has one-third of the area of the whole British Empire; she is larger than thirty United Kingdoms; twice the size of India; eighteen times as large as France. She is practically as large as all of the European countries put together.

Canada is larger than the United States including Alaska (Canada, 3,729,665 square miles; United States and Alaska, 3,617,673 square miles).

Canada has over 440,000,000 acres of farm lands—and only one-eighth of it is yet under cultivation.

Canada has the most extensive and best stocked fisheries in the world—232,000 square miles of fishing waters.

Canada has over 225,000,000 acres of commercial timber—she is the great forest resource of the Empire.

Canada's mineral deposits have scarcely been scratched—yet her mines yielded $210,204,970 last year.

Canada's field crops have doubled in five years—from $552,771,500 to $1,367,909,970.

Canada's people have increased their cash balances in Banks and Post Offices nearly seventy per cent. in five years—from $1,086,013,704 to $1,740,462,509.

Canada's trade has more than doubled in five years—from $1,085,175,572 to $2,564,462,215. Canada emerges from the war one of the world's greatest and strongest nations—her natural wealth equals $2,000 for each man, woman and child of her population.

Canada's Victory Bonds are the finest possible investment where safety is the chief consideration.

Moreover, when you loan your money to Canada you know that the interest will be paid every six months—all you have to do is to go to the nearest Bank and get it.

Canadians will soon be given another opportunity to buy Victory Bonds.

This will probably be the last time you will be able to purchase Canada's bonds on such favorable terms.

Prepare to buy—All Canada is Your Security.

Victory Loan 1919

"Every Dollar Spent in Canada"

Issued by Canada's Victory Loan Committee, in co-operation with the Minister of Finance of the Dominion of Canada.

9

LOOKING TO RUSSIA

It is not too early to prepare the ground for a future export trade to Russia, says a bulletin of the American Exporters' Association. Many American manufacturers are already keeping in touch with the Russian situation and will be ready to step in as soon as stable economic conditions are restored. Canadian exporters should find this statement of a large American exporting house of interest:

"A lot of good effort can be well spent, even with conditions as they are at the present time, although for many months to come it may seem like scattering time and money to the winds. I am sure that as conditions become more settled in spots, and these improved conditions gradually spread over the entire country, that the results coming from this effort will be gratifying. We are doing all we can to keep in touch with those commercial organizations in the various parts of Russia which are still active, and also in endeavoring to become acquainted, through correspondence, with individuals or companies that are new to us, and who later on may be interested in a product such as ours."

7% 7%

Selected Investments

To yield the attractive income of

7%

with prospects of appreciation.
Particulars on request.

CAMPBELL, THOMPSON & CO.

7% Canada Life Building TORONTO 7%

WISE INVESTMENTS

May Not Bring Greatest Returns, but they are the kind that stand the acid test. During such times as these consult an experienced Financial House before investing. Our services at your command whether you buy or not.

JOHN STARK & Co.
ESTABLISHED 1870 MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING - - - TORONTO

The New Challenge

The goal is not yet reached. Canada's present VICTORY LOAN must be a successful effort.

It is a mutual obligation that it should be so.

W. F. MAHON & CO.
Investment Bankers
HALIFAX, N.S.

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE No. 116

A Dividend at the rate of Three and One-Quarter Per Cent. (3¼%) for the three months ending 31st October, 1919, has been declared, payable on the 1st November, 1919, to Shareholders of record as at the 21st October, 1919.

By order of the Board,

C. H. EASSON,
General Manager.

Toronto,
September 26th, 1919.

WINTER IN ALGONQUIN PARK

As a winter panacea for coughs and colds, Algonquin Park cannot be equalled. Two thousand feet above the sea, it is always dry and cold, and usually bright, and no matter how cold it is, the man with a sweater will never suffer. Days spent in snow-shoe tramps, through primitive forests, in the breathless flight of the toboggan or ski, and in the ring of steel against the ice-bound waters of some lake, together with evenings spent in social converse around the cosy warmth of an old-fashioned log fire; these slip away unnoticed, but those who have once experienced them return to their avocations with renewed energies, with hardened muscles, and a grateful memory that forever blots out all thoughts of the relaxing South. The "Highland Inn," owned and operated by the Grand Trunk Railway, offers comfortable accommodation at reasonable rates. For all particulars apply to N. T. Clarke, manager, Algonquin Park Station, Ontario.

SEPTEMBER TOTAL BUILDING PERMITS TWELVE MILLIONS

Four Cities Go Over Million Mark—Country's Total is Best Yet

LARGELY DWELLINGS

Canadian National's Elevator at Port Arthur to Cost One Million Was the Largest Permit

September was the busiest month of the year so far, in construction work throughout Canada, as indicated by figures showing the value of building permits issued in thirty-five Canadian cities. A total of nearly $12,000,000 was reached during the month, which is an increase of more than $8,000,000 over last year. There were four cities that exceeded the $1,000,000 total, an occurrence that is very rare in the records of Canadian building. They were: Toronto, with $2,390,242; Hamilton, with $1,461,035; Montreal, with $1,450,976; and Port Arthur, with $1,028,500. Halifax, with $802,690, does not lag very far behind, while Winnipeg issued permits valued at $624,450.

These cities are among the largest in the country, however. Many of the smaller cities exceed their September, 1918, totals by amounts that reflect an unbounded, unparalleled boom in construction work. Quebec, for instance, which last year was stagnant so far as building is concerned with only $9,972 permits issued last month piled up a total of $287,665. Stratford jumped from $8,177 to $122,808; St. Catharines from $14,416 to $255,886; Guelph, from $6,991 to $116,470; Lethbridge from $435 to $26,840; while several other Western cities showed the same sort of liveliness.

Swift Current's Failure

In the first nine months of this year $50,863,522 worth of building permits have been issued by thirty-five Canadian cities. Last year the same cities issued permits totalling $28,964,388, so that the increase is at the rate of almost 100 per cent.

There is one regrettable spot in the whole report, and the unfortunate city is Swift Current, Saskatchewan. Building permits issued in September in that city were a negligible quantity. The district has had crop failures in the past three years, and building and construction work is practically at a standstill in the city.

A noticeable feature of the report is the comparative lack of really large structures. Dwelling houses constitute the vast majority of the permits viewed from both the standpoint of value and number. The figures supplied by Hamilton are quite representative of the whole country's activities. Hamilton issued permits for 129 dwellings, 33 garages, nine factories, seven stores, two banks, two churches and one school.

The Large Permits

The largest permit issued was for the C. N. R. elevator at Port Arthur, to cost $1,000,000. Permits over $100,000 were: Hamilton, warehouse for Wood, Alexander, James and Co., $290,000; factory for Porritts, Spencer Canada Co., $200,000; factory for T. Eaton Co., Ltd., $100,000; and school on Hunter Street, $100,000. Brantford, Ont.: Factory extension for the Slingsby Mfg. Co., $150,000; Kitchener, Ont., addition to the plant of the Dominion Tire Company, $250,000; Stratford, Ont., addition to the factory of the Kindel Bed Co., $100,000; Saskatoon, public school, $184,000.

NEWSPRINT BECOMES NECESSITY OF LIFE

Price Control to Pass Into Hands of the Board of Commerce

By Resident Representative.

OTTAWA.—The Board of Commerce proposes to take newsprint under its wing as one of the "necessaries of life." Section sixteen of the Combines and Fair Prices Act provides that necessaries of life mean a staple and ordinary article of food, clothing, and fuel, including the products, materials and ingredients of which they are composed, and also "such other articles of any description as the Board may from time to time, by special regulation, prescribe."

The order states that it is expedient that the paper known as newsprint shall be so prescribed as a necessary of life, and accordingly takes jurisdiction over it.

R. A. Pringle, the present controller of newsprint, had heard nothing about the proposal when seen by THE FINANCIAL POST and did not appear to be much worried at the prospect of having control pass out of his hands. He said he presumed it applied to the future, as at the present time the investigations being conducted were in such a state that they could not very well be taken over.—T.M.F.

FIFTEEN CARS A DAY AT WILLYS-OVERLAND

Machinery dealers are handling a lot of business now, mostly for the automobile and allied interests. There are quite a number of shops, some of them with considerable foundry capacity, and they are handling contracts for the turning out of castings for the auto business.

"It is not a matter of selling machines, the business is in turning them out," stated an official of one of the large Canadian automobile plants to The FINANCIAL POST this week.

There is a lot of activity at several centres in Canada, Oshawa, Chatham, Walkerville and Toronto, where the automobile business seems to be centering. For instance, the Willys-Overland plant at Toronto is now securing a production of about 15 finished cars at their Weston plant, and they have made plans to increase this to fifty per day. Their work was interefered with on account of the strike of the metal trade, but there is no trouble at the works now, and things are coming along much as the officials of the company desire. During the past few weeks they have gone from a payroll of some two hundred to something approaching the thousand mark, which figure will be largely increased when full production is secured.

BUILDING PERMITS FOR THE MONTH OF SEPTEMBER

EASTERN CITIES

	September 1919	September 1918	Change	9 months 1919.	9 months 1918.	Change.
Maritimes—						
Sydney	$ 71,520	$ 61,205	+ $ 10,315	$ 562,210	$ 335,484	+ $ 226,826
Halifax	802,690	315,080	+ 487,610	3,210,323	2,392,197	+ 818,126
Quebec—						
Montreal	1,450,976	280,325	+ 1,170,651	6,964,644	3,988,203	+ 2,976,441
Quebec	282,565	9,972	+ 272,593	1,352,944	820,683	+ 532,261
Westmount	103,710	16,370	+ 87,340	589,050	222,061	+ 366,989
Ontario—						
Brantford	287,665	29,695	+ 257,970	856,430	624,090	+ 232,340
Chatham	54,555	5,800	+ 48,755	263,712	123,390	+ 140,322
Fort William	23,250	566,105	— 542,855	19475	478,325	— 458,850
Hamilton	1,461,035	172,304	+ 1,288,721	4,129,337	1,608,364	+ 2,520,973
Kitchener	392,702	8,060	+ 384,642	1,045,897	204,882	+ 841,015
London	149,210	66,020	+ 83,190	1,735,865	460,340	+ 1,275,525
Ottawa	487,860	117,360	+ 370,500	2,561,747	2,314,876	+ 246,871
Peterborough	11,805	3,475	+ 8,330	88,795	198,431	— 109,636
Port Arthur	1,028,500	23,860	+ 1,004,640	1,662,698	600,391	+ 1,062,307
Stratford	122,808	8,177	+ 114,631	258,955	83,156	+ 175,799
St. Catharines	255,886	14,416	+ 241,470	678,240	387,736	+ 290,504
Toronto	2,390,242	978,111	+ 1,412,131	12,752,830	6,752,294	+ 6,000,536
Welland	14,250	11,735	+ 2,515	294,521	401,479	— 106,958
Windsor	444,965	30,050	+ 414,915	1,811,310	460,140	+ 1,351,170
Woodstock	13,795	24,034	— 10,239	91,283	93,995	— 2,712
Guelph	116,470	6,991	+ 109,479	495,117	76,064	+ 419,053
Kingston	43,745	20,579	+ 23,166	469,917	257,007	+ 212,910
Total 22 East. cities	$10,010,204	$2,769,724	+ $7,240,480	$41,895,400	$22,883,588	+ $19,011,812
Township of York	506,950	......	+ 506,950	3,219,225	......	+ 3,219,225

WESTERN CITIES

	September 1919	September 1918	Change	9 months 1919.	9 months 1918.	Change.
Alberta—						
Edmonton	$ 29,025	$ 17,690	+ $ 11,335	$ 758,000	$ 316,070	+ $ 441,930
Lethbridge	26,840	435	+ 26,405	146,820	124,388	+ 22,432
Manitoba—						
Brandon	31,715	3,250	+ 28,465	81,077	73,926	+ 7,151
St. Boniface	24,625	2,125	+ 22,500	272,985	249,955	+ 23,030
Winnipeg	624,450	144,850	+ 479,600	2,115,900	1,892,750	+ 223,150
Saskatchewan—						
N. Battleford	30,400	1,700	+ 28,700	52,090	5,570	+ 46,520
Moose Jaw	78,600	17,075	+ 61,525	464,095	440,125	+ 23,970
Prince Albert	11,770	3,700	+ 8,070	169,126	65,198	+ 103,928
Regina	224,875	20,600	+ 204,275	1,362,020	913,290	+ 448,730
Saskatoon	292,495	42,540	+ 249,955	1,313,320	565,185	+ 748,135
Yorkton	24,000	1,700	+ 22,300	274,000	9,625	+ 264,375
British Columbia—						
Vancouver	203,677	205,850	— 2,173	1,606,348	1,217,168	+ 389,180
Victoria	98,767	25,045	+ 73,722	352,341	207,550	+ 144,791
Total 13 West. cities	$1,701,239	$ 486,560	+ $1,214,679	$ 8,968,122	$ 6,080,800	+ $ 2,887,322
Grand total 35 cities	$11,711,443	$3,256,284	+ $8,455,159	$50,863,522	$28,964,388	+ $12,899,134

FEW PRACTICAL ARGUMENTS FOR THE G.T.R. DEAL

Continued from page 1

they become ridiculous, not to say shamefully misleading. It has been claimed for this scheme that it would mean a saving of $100,000,000 to the Canadian National Railways already in the possession of the Government through the acquisition with the Grand Trunk Railway of Eastern terminals. Any one acquainted with the railway situation as it has worked out in Canada would know that this claim is a joke. All the terminal facilities that are required by the Government roads could be secured with equal advantage, and no expenditure, through a traffic interchange that could be arrived at with the Grand Trunk Railway as a private road: the Dominion Board of Railway Commissioners is there to work out just such situations as this. It has done it in the past in the case, for instance, of the Canadian Northern at Toronto Union station; would it do less for the Canadian National roads?

Some Proposals Made

What, then, can be done? The President of the Montreal Board of Trade, John Baillie, has suggested that a syndicate should be formed to take over the Grand Trunk Railway and the G.T.P., and operate these as a private road. We do not believe that there is any syndicate of business men in the country that could be formed to shoulder any load of which the Grand Trunk Pacific forms a part. The burden would stagger any institution. With some 2,700 miles of road, the fixed charges are said to be as great as on the 13,000 miles of the C.P.R.. The G.T.P. must be held as a heritage of the people of Canada, in its length from Moncton in the East, as the National Transcontinental, to Prince Rupert in the West, one of the greatest political blunders of Canadian history. As such, forced to a great extent on the Grand Trunk, it must be looked after by the Government, and the genius of public ownership will be tested to the full in merging this system with the recently acquired lines of the Canadian Northern.

Left without this burden the Grand Trunk can pull through by itself, we believe. But, if this relief is afforded it, there should be a stipulation in the interests of Canada, that the road should be Canadianized; that a great Canadian road should no longer be operated with a Board of Directors all of whom, except the President, not only do not live in this country, but most of whose interests lie outside the country.

Not only cannot any board, however well-intentioned, run a Canadian railway from three thousand miles away, but in the constitution of the Board the Grand Trunk loses steadily, and will continue to lose invaluable support that would be accorded it if the people of Canada could feel it was a real Canadian road, operated primarily for the advantage of Canada, and by men with whom this country would always be in intimate association. This condition could be exacted from the company at this time, and so far from sacrificing any of the interests of the British investors, would tend to conserve and strengthen them. Under such conditions the future financing that would be required in the near future would be more easy of accomplishment.

Business Men Object

A resolution condemning the proposal was passed unanimously by a gathering of the members of the Montreal Board of Trade, which was attended by several hundred of the leading business men of the city. Not a voice was heard throughout the whole proceedings in favor of Government ownership of railways in Canada. In support of the resolution a deputation will be sent to Ottawa to present it to the Government, and to ask for information lying behind the suddenness with which the measure was brought before the House, and the real railway situation in Canada which the Government has declared led it to take the step it did. The following resolution was moved by George Summer, vice-president of the Board, and seconded by Lansing Lewis:

"That this Special General Meeting of the Montreal Board of Trade, having in view the results of Government operation of railways both in Canada and the United States, and the heavy financial responsibility assumed by the Dominion Government in connection with the railways already taken over by it, which, added to a public debt enormously increased by war expenditure, necessitates a heavy burden of taxation on the country, strongly protests against the proposed acquisition and operation by the Government of the Grand Trunk Railway system.

"Also resolved that a special delegation be appointed by the Board Council to present this resolution at Ottawa and secure all information possible regarding the railway situation."

The general trend of the addresses that were delivered was in opposition to public ownership in principle, and a special condemnation of the action of the Government in rushing the legislation through without full information being laid before the country, or time given to study the proposals thoroughly.

The Government's Offer

1. Guarantees dividends, payable half-yearly on the present guaranteed stock of . £12,500,000
2. Will arbitrate value of preference and common stock, and pay 4 per cent. dividends on the figure decided on as the value of the following:

First preference 5% stock....	3,420,000
Second preference 5% stock...	2,530,000
Third preference 4% stock....	7,168,055
Common stock	23,955,437
A total of	£37,073,492

Payment for the company's preferred and common stock at the arbitrated price will be made by an issue of 4 per cent., non-voting capital stock, which will be redeemable at par in 30 years.

The price of the preferred and common stock will be fixed by a board of three arbitrators, one to be named by the Government, one by the company, and the third chosen by these two, or failing agreement, by the Chief Justices of the Supreme Court and the Exchequer Court.

An unanimous decision of the three arbitrators is to be final. Should the decision not be unanimous, appeal will lie to the Supreme Court or to the Judicial Committee of the Privy Council. This must be on questions of law. Notice of appeal must be given by either party within thirty days of the award.

3. Will meet the interest on the debenture stock, as follows:

5% Grand Trunk debenture stock	£4,270,375
5% Great Western debenture stock	2,723,080
4% Grand Trunk debenture stock	24,624,455
4% Northern debenture stock.	308,215
A total of	£31,926,125

As soon as the agreement between the Government and the company has been ratified by a majority of the stockholders, a board of management of five persons shall take over the handling of the railway. Two of the members of this board will be appointed by the Government, two by the Grand Trunk, and a fifth by these four. This committee will carry on until ownership of the railway is vested in the Government, when it will be discharged, and the Grand Trunk system will become an integral part of the Canadian National Railways.

4. Assume liabilities of the Grand Trunk Pacific.

Government's First Offer in 1918

A lease of the property for 999 years on the following terms of annual rental: (a) $2,500,000 for each of the first three years; (b) $3,000,000 for each of succeeding five years; (c) $3,600,000 thereafter, such sums to be distributed by the Grand Trunk management as it might determine among Grand Trunk shareholders.

Company's Proposal

That the Government should pay an annual rental of $5,385,000 and leave to arbitration what further sum the shareholders should receive on account of the prospective value of the road arising out of development of the country in the future.

Oil at 85 feet below the surface has been reported from the vicinity of Pond Mills, a short distance south-east of London. Operations were being conducted to find water.

CAN. COTTONS' UNIQUE PLAN OF SHARING PROFITS

Continued from page 3

to obtain it? This, too, was pointed out to the employees in the following appeal to their own intelligence, self-interest and loyalty:

"The management is convinced that by loyal and unselfish co-operation a very material increase in production can be effected. Increased diligence on the part of every worker is essential in order to attain the desired results. Regular attendance at work is an absolute necessity. For this reason the management consider it only fair to the steady workers that, in order to participate in the proposed plan, the operative must have worked at least 92½% of the full working time during the three months payment period.

"A portion of the machinery is, as already stated, at present standing idle and producing nothing, due to either a shortage of operatives or to their absence from work. The management believes that, with the help and co-operation of our present workers, 100% of our machinery can be kept constantly in operation through regular attendance; by discouraging the absence from work of their fellow-workers and sometimes by inducing a friend to take up work in the mill if there are openings available. The increase in product that would result from such a condition can be readily imagined, and also the consequent benefit to the workers and to the company under this sharing plan.

Please give all this your very earnest thought. Let us all pull together and there need be no fears as to the results.

Canadian Cottons, Limited, has already led the way in the textile industry in Canada in the matter of shorter working hours. The company's executive now confidently expect that this further new departure will be received by all workers as another evidence of goodwill and appreciation of their loyal efforts.

(Signed) A. O. DAWSON,

In discussing this plan with THE FINANCIAL POST, Mr. Dawson pointed out that it was decided to bring it into operation in the fall, rather than in the spring or summer, as the tendency would be all to the advantage of the workers in more regularity and attention to work than is usual in the summer.

On the general principle Mr. Dawson earnestly believes in the obligation of the employer to give the workmen all the advantages possible, and as great a share as is practicable in the earnings of the plant. This would be the most effective method of providing them with the means to meet higher costs of maintaining themselves under present-day conditions. One of the interesting points is that these shares in profits are paid quarterly, just when the shareholders receive theirs, and if the money is left on deposit it will receive 6 per cent. interest—the eact amount paid the shareholders, and if this is raised to 7 or 8 per cent. later on the operatives will benefit in an interest rate to the same extent.

Returned officer, 25, University graduate, wishes to enter financial firm; must be opportunity for advancement; excellent references. Box 7, Financial Post.

THE STERLING BANK OF CANADA

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